



Promoting Accountability of Public Resources

AUDITOR GENERAL'S REPORT

**On The Compliance Audit of the Rural
Renewable Energy Agency (RREA)**

For the Period July 1, 2018 to December 31, 2019



April 2026

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

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ACRONYMS USED

Acronyms/Abbreviations/Symbol	Meaning
AG	Auditor General
CDRs	Call Detail Records
CEO	Chief Executive Officer
CFC	Certified Financial Consultant
CFIP	Certified Forensic Investigation Professional
COSO	Commission on Sponsoring Organization
Etc	Et cetera
FCCA	Fellow Member of the Association of Chartered Certified Accountants
GoL	Government of Liberia
INTOSAI	International Organizations of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standards of Supreme Audit Institutions
L\$	Liberian Dollars
LDTP	Liberia Digital Transformation Project
LRA	Liberia Revenue Authority
MBA	Masters of Business Administration
MNOs	Mobile Network Operators
MOU	Memorandum of Understanding
PFM Act	Public Finance Management Act
PFMU	Public Financial Management Unit
PPCC	Public Procurement and Concessions Commission
REF #	Reference number
RREA	Rural Renewable Energy Agency
TIA	Telecom International Alliance
US\$	United States Dollars

Republic of Liberia



TRANSMITTAL LETTER

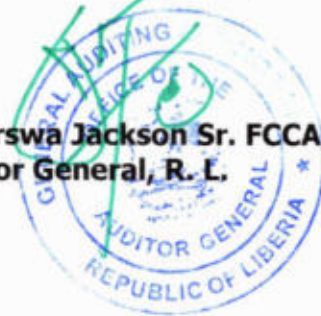
**THE HONORABLE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE
HONOURABLE PRESIDENT PRO- TEMPORE OF THE LIBERIAN SENATE**

We have undertaken a Compliance Audit of the Rural Renewable Energy Agency (RREA) for the period July 1, 2018 to December 31, 2023. The audit was conducted in line with Section 2.1.3 of the General Auditing Commission (GAC) Act of 2014.

Finding conveyed in this report were formally communicated to the authorities of the RREA for their responses. The reportable issues were submitted through a Management Letter. Where responses were provided, they were evaluated and were incorporated in this report.

Given the significance of the matters raised in this report, we urge the Honourable Speaker and Members of the House of Representatives and the Honourable Pro- Tempore and Members of the Liberia Senate to consider the implementation of the recommendations conveyed in this report with urgency.

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



Monrovia, Liberia
April 2026





Auditor General's Report

May 6, 2024

Hon. Samuel Bocay Nagbe
Executive Director
Rural & Renewable Energy Agency
Newport Street
Monrovia, Liberia

Compliance audit on the Rural Renewable Energy Agency (RREA) for the year July 1, 2018 to December 31, 2023

Adverse Conclusion

The General Auditing Commission has conducted a compliance audit of the Rural Renewable Energy Agency (RREA) for the year July 1, 2018 to December 31, 2023. The compliance audit has been conducted in compliance with relevant laws and regulations consistent with the Auditor General's mandate as provided for in Section 2.1.3 of the General Auditing Commission (GAC) Act of 2014 as well as in accordance with other relevant laws.

Based on the audit work performed and because of the significance of the non-compliance matters noted in the Basis for conclusion Paragraphs below, the subject matter is not in all material respect, in compliance with the Public Financial Management (PFM) Act and Regulations of 2009 as Amended and Restated 2019, the PPC Act of 2005, as Amended and Restated 2010 and its Regulations, the RREA Act of 2011 and other relevant RREA Standard Operating Policies and Procedures.

Basis for Conclusion

We identified multiple issues of significant materiality that affect the operations of the RREA. These issues can be categorized as follows:

Procurement Irregularities Associated with Go Solar Liberia Incorporated

Contracts awarded to Go Solar for the supply and installation of solar lights in fiscal year 2023 amounting to US\$798,705.60 were with the following irregularities:

- No evidence of invitation to bid being published
- No evidence of bid registration sheet, bid opening and closing meeting minutes and bid attendance sheet.
- The date the bid proposal was opened could not be ascertained due to lack of bid document.



- No evidence of bid package; as a result, we could not ascertain whether bidders had access to detail information relative to the procurement of bid packages
- No evidence of monitoring and evaluation (M&E) or assessment report
- No evidence of past performance work

Procurement Irregularities Associated Building Materials Center (BMC) Group and Maty Incorporated

RREA Management signed two separate contracts entered into on October 13, 2021 and January 3, 2023 respectively for Supply and Installation of Decra Zinc at the President's residence at Jamaica Resort for US\$60,000.00 and US\$170,000.00 respectively (totaling US\$230,000.00) as well as a third contract to supply 1000 Street Lights Materials to the RREA value at US\$100,000.00 on October 18, 2021. There was no evidence of procurement proceedings conducted to solicit and evaluate bids leading to the award of these contracts.

RREA Management signed several contracts totalling US\$705,000.00 with MATY Incorporated without evidence of competitive procurement processes for the supply of solar street lights.

Payments without Adequate Supporting Documents

RREA Management made several payments amounting to US\$451,652.43 and LR\$45,608,000.00 with no evidence of adequate supporting documents such as; contracts, payment vouchers, invoices, delivery notes, etc where applicable for various expenditures.

Third Party Payments

Management made several third-party payments totalling US\$890,768.10 and LR\$17,160,258.89 to staff and other individuals rather than making direct payments to service providers or their legally authorized representatives.

Irregularities Associated with the Implementation and Payments of the Supply and Installation of Solar Panel Streets Light Contracts

Management made several payments amounting to US\$1,892,150.00 and LR\$57,734,040.00 to contractors without evidence of evaluation reports and certificate of completion before disbursement of funds.

Irregularities Associated with the International Bank Loan (Overdraft Facility)

Management International Bank with account number IB00121970150940802 with closing overdrawn balance as at December 31, 2023 amounting to US\$635,270.74. The following irregularities was observed:

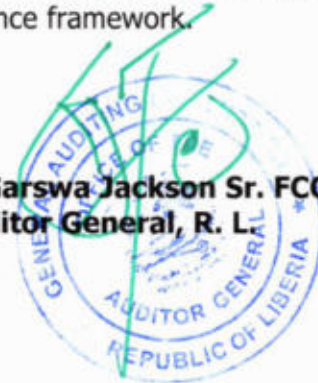
- No evidence of approval of the overdraft facility by the Board of RREA, the Minister of Finance and Development Planning (MFDP), Minister of Justice (MoJ) and the Debt Management Committee as required.
- No evidence of an overdraft facility document from the International Bank of Liberia comprehensively cataloguing the terms of the overdraft agreements including limit of the overdraft, processing fee and periodic interest charges.

*Auditor General's Report on the
Compliance Audit of the Rural Renewable Energy Agency (RREA)
For the period July 1, 2018 to December 31, 2023*

- No evidence of the approved purpose for which the overdraft facility was obtained.

The above issues have a pervasive impact on the Entity's compliance with relevant laws, regulations and other administrative processes causing material non-compliance and raising concerns about the RREA Management's adherence to the required compliance framework.

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



Monrovia, Liberia
May 2026



Background

In 2025, the Executive Director of the Rural Renewable Energy Agency (RREA) of Liberia requested the Auditor General to conduct a compliance audit for the year July 1, 2018 – December 31, 2023.

Pursuant to the RREA Executive Director's request, the Auditor General commissioned an audit of the RREA in keeping with section 2.1.3 of the GAC Act of 2014. An initial meeting was held with the RREA Management and subsequently an engagement letter was issued on May 3, 2024 setting the terms and conditions of the audit and was agreed by both parties to officially commence on May 8, 2024.

Management Personnel

The Rural Renewable Energy Agency (RREA) had the following personnel who handled the administrative and financial affairs of the Institution for the period under audit.

Table: 1 Key Management Personnel of the RREA

Name	Rank	Tenure
Samuel Nagbe	Executive Director	2024 – Present
Joseph Williams	Former Executive Director	2018 - 2023
Dehkontee Liles Wymon	DED Finance and Admin	2024 – Present
Stephen V. Potter	Deputy Executive Director	2018 - 2023
Mohamed S. Kromah	Board Chairman	2024 – Present
Marthaline Horace	Finance Director	2022 – Present

Objectives of the Compliance Audit:

- To provide the intended user(s) with information on whether the RREA followed relevant laws, regulations, policies, and procedures and agreed-upon terms;
- To gather sufficient and appropriate audit evidence to form and derive a conclusion whether or not, the subject matters: Compliance of Transactions with laws and regulations and other relevant RREA Standard Operating Policies and Procedures. for the period July 1, 2018 – December 31, 2023 complied with all material respect, with relevant laws, regulations, policies and procedures.
- To report in terms of the GAC reporting requirements as spelt out in part four (4) of the GAC Act of 2014, the findings and conclusion to the National Legislature.

Subject Matter and Scope

The Compliance Audit covers all transactions and activities of the RREA, for the period July 1, 2018 – December 31, 2023.

Audit Criteria

The audit criteria for the subject matter are the 1986 Constitution of Liberia, the PPC Act of 2005, as amended and restated 2010 and its Regulations, the RREA Act of 2011 and other relevant RREA Standard Operating Policies and Procedures.



Audit Methodology

We performed our audit based on the review of contract documents, specifications, financial records, and payment vouchers related to the period under audit. We interviewed RREA staff, carried out physical verification of the RREA's assets and personnel. The audit criteria were applied to each procurement sample selected.

The audit was conducted in accordance with ISSAI 4000 and INTOSAI's International Standards for Compliance Audit. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether RREA complied with laws and regulations.

Our audit also took cognizance of the requirements under the Auditor General's mandate as provided for under Section 2.1.3 of the GAC Act of 2014. Our audit approach included observation, inquiries, inspections, confirmation, and analytical procedures on areas we considered as high risk.

Limitation of Responsibility

The audit involves performing procedures to obtain audit evidence about the subject matters' compliance with applicable authorities identified as criteria. The procedures selected depend on the auditor's professional judgment, including the assessment of the risks of non-compliance material issues of the subject matter, whether due to fraud or error.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some non-compliance material issues may not be detected, even though the audit is properly planned and performed in accordance with the ISSAIs. In making our risk assessments, we considered internal control relevant to the subject matters, but not for the purpose of concluding the effectiveness of the entity's internal control.

1. DETAILED FINDINGS AND RECOMMENDATIONS

1.1 Financial Issues

1.1.1 Irregularities Associated with the Management of the Street Lights Project Sponsored by the Government of Liberia

Criteria

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

Observation

- 1.1.1.2 During the audit, we observed no evidence of project documentation and workplan for the Solar Street Light Project managed by the RREA comprehensively cataloguing the project duration, project costs, bill of quantity, targeted regions, funding source etc relevant for the monitoring and evaluation of the project.

- 1.1.1.3 Furthermore, we observed no evidence of periodic monitoring and evaluation reports for the project validating the implementation of the full project deliverables. Additionally, comprehensive accounting records and periodic financial reports were not made available for audit purposes.

Risk

- 1.1.1.4 In the absence of adequate supporting documents, the validity, occurrence, and accuracy of payments may not be assured. This may lead to misappropriation of the entity's funds.

- 1.1.1.5 The absence of adequate supporting documentation for transactions may also lead to fraudulent financial management practices, through the processing and disbursement of illegitimate transactions.

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

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

Recommendation

- 1.1.1.8 Management should account for the Solar Street Light Projects by submitting the approved project workplan and periodic financial and monitoring and evaluation reports to the Office of the Auditor General as part of Management's response to this Management Letter.



- 1.1.1.9 Going forward, Management should develop, approved and operationalize a work plan to facilitate the smooth implementation of service for all contractors. The work plan should comprehensively catalog phases of 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. Management should ensure that the Site Supervisor submits a completion certificate upon completion of deliverables and validate the deliverables before further payment are made to Contractors.
- 1.1.1.10 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. Evidence of periodic monitoring and evaluation reports should be adequately documented and filed to facilitate future review.
- 1.1.1.11 Going forward, Management should ensure all transactions are supported by the requisite supporting documents consistent with the financial management regulations. Documentation such as contracts, invoices, goods received notes, job completion certificates, purchase orders, payment vouchers, periodic financial reports etc. should be prepared and approved for the procurement of goods and services where applicable. All relevant supporting records should be adequately documented and filed to facilitate future review.
- 1.1.1.12 Additionally, Management should facilitate the operationalization of the electronic document management system by ensuring that all relevant source and supporting documents are scanned, attached to the transaction (in the accounting software for financial transactions), archived and maintained to facilitate future review.

Management's Response
(Former Management's Response)

- 1.1.1.13 *Management acknowledges the audit observations concerning the Lack of complete project documentation, including work plans, financial records, and monitoring and evaluation reports for the Solar Street Light Project implemented under the Rural and Renewable Energy Agency (RREA).*
- 1.1.1.14 *It is important to clarify that the Solar Street Light Project was classified as a "Quick Impact Project" necessitating immediate execution to meet urgent energy access needs across targeted communities. Consequently, the time required for comprehensive documentation, including a detailed work plan, was constrained due to the pressing demand to implement and complete the project within a short timeframe.*
- 1.1.1.15 *Nevertheless, Management wishes to note the following:*
1. *Bill of Quantities and Targeted Regions: Detailed bills of quantities, including the targeted regions for implementation, were included in the tender documents prepared and issued during the procurement process. These documents are available and can be provided for verification.*

2. *Funding Commitment: A formal commitment letter from the Minister of Finance and Development Planning confirming the Government's support and allocation of funds for this project is available and was used to initiate the implementation.*
3. *Project implementation and Handover: The project was successfully executed, and the completed works were officially turned over to the relevant County Authorities for community use and supervision, marking the conclusion of project deliverables.*
4. *Availability of Records: Management affirms that supporting documentation including procurement files, contracts, and other financial records relating to this project are maintained by the Management and can be made available for audit verification.*

1.1.1.16 *Corrective Actions and Commitments Going Forward:*

1. *Improved Project Planning and Documentation: Management commits to ensuring that, going forward, all projects irrespective of their urgency or scale are accompanied by a format, approved work plan that clearly outlines deliverables, timelines, milestones, and corresponding payment schedules. These work plans will be agreed upon with contractors and appended to all approved contracts.*
2. *Strengthening Financial Documentation and Recordkeeping: Management will enforce strict adherence to financial management regulations by ensuring that all transactions are adequately supported with the necessary documentation, including contracts, invoices, goods received notes, completion certificates, payment vouchers, and financial reports. These documents will, be organized, filed, and retained to facilitate timely and efficient audits.*

1.1.1.17 *Digitization of Supporting Documents:*

1. *In alignment with modern best practices, Management will expedite the full operationalization of the electronic document management system. This will include scanning and attaching all relevant source documents to their corresponding financial transactions within the accounting system to ensure [ong-term storage, accessibility, and audit readiness.*
2. *Management remains fully committed to transparency, accountability, and continuous improvement in project implementation and financial management. The lessons [earned from this audit will, guide future processes to enhance compliance, documentation, and effective service delivery.*

- 1.1.1.18 *Management will institutionalize periodic monitoring and evaluation for all projects, ensuring that reports are prepared, reviewed, and archived to validate the completion of deliverables in line with approved specifications. Site Supervisors will be required to submit completion certificates to confirm physical verification prior to the processing of any further payments. Management has already recruited two roles for monitoring and evaluation of its project activities it's envisaged that these M&E staff will be critical in supporting management to appreciate straight compliance with specification and procedure as agreed for the implementation for contracted projects.*



Auditor General's Position

- 1.1.1.19 Management's assertions were not supported by documentary evidence. Management did not submit the approved project workplan and periodic financial and monitoring and evaluation reports to the Office of the Auditor General as requested. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.1.2 Payments without Adequate Supporting Documents

Criteria

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

Observation

- 1.1.2.2 During the audit, we observed no evidence of adequate supporting documents such as; contracts, payment vouchers, invoices, delivery notes, etc where applicable for various expenditures. **See table 2A & 2B below:**

Table 2A: Payments (USD) made without evidence of a contract

Transaction Date	Description/Entity	Bank Account	US\$
3/18/2020	Solon Transportation LIB LTD	CBL 1502023249	2,000.00
4/3/2020	Master Trading Center	CBL 1502023251	365.00
6/12/2020	Solon Transportation LIB LTD	CBL 1502023263	1,341.00
6/12/2020	DAILY OBSERVER CORP	CBL 1502023264	400.00
9/22/2020	MATY INCORPORATED	CBL 1502023274	43,500.00
6/7/2022	GREEN CONSULTACY	IB00121970150940802	21,000.00
8/2/2022	MATY INC	IB00121970150940802	125,000.00
1/30/2023	MATY INCORPORATED	CBL 1502023280	75,000.00
6/27/2023	GREEN CONSULTANCY INC	CBL 1502023285	28,111.43
7/7/2023	GREEN CONSULTANCY INC	CBL 1502023286	14,935.00
8/16/2023	MATY INCORPORATED	CBL 1502023289	80,000.00
6/1/22	BMC GROUP	IB00121970150940802	60,000.00
Total			451,652.43

Table 2B: Payments (LRD) made without evidence of a contract

Transaction Date	Description/Entity	Bank Account	LR\$
8/3/2022	GATEWAY FOREX EXCHANGE	IB 001219101550940901	20,000,000.00
9/1/2022	BOUROUBA FOREX EXCHANGE	IB 001219101550940901	1,000,000.00
9/22/2022	MATY INCOPORATED	CBL 1501008998	4,000,000.00

Transaction Date	Description/Entity	Bank Account	LR\$
2/10/2023	GO STAR LIBERIA INC	CBL 1501009008	9,180,000.00
2/15/2023	MATY INCOPORATED	CBL 1501009009	9,050,000.00
2/24/2023	SETHI BROTHERS INC	CBL 1501009010	168,000.00
7/7/2023	GREEN CONSULTANCY INC	CBL 1501009014	2,210,000.00
Total			45,608,000.00

Risk

- 1.1.2.3 Payments may be made for goods not delivered or services not performed. Goods delivered or services performed may not meet the approved specifications.
- 1.1.2.4 In the absence of adequate supporting documents, the validity, occurrence, and accuracy of payments may not be assured. This may lead to misappropriation of the entity's funds.
- 1.1.2.5 The absence of adequate supporting documentation for transactions may also lead to fraudulent financial management practices, through the processing and disbursement of illegitimate transactions.
- 1.1.2.6 Management may override the procurement processes by completing disbursement without utilizing the required procurement methods.

Recommendation

- 1.1.2.7 Management should fully account for expenditure made without adequate supporting documents.
- 1.1.2.8 Going forward, Management should ensure all transactions are supported by the requisite supporting documents consistent with the financial management regulations. Documentation such as contracts, invoices, goods received notes, job completion certificates, purchase orders, payment vouchers etc. should be prepared and approved for the procurement of goods and services where applicable. All relevant supporting records should be adequately documented and filed to facilitate future review.
- 1.1.2.9 Additionally, Management should facilitate the operationalization of the electronic document management system by ensuring that all relevant source and supporting documents are scanned, attached to the transaction (in the accounting software for financial transactions), archived and maintained to facilitate future review.

**Management's Response
 (Former Management Response)**

- 1.1.2.10 *Management acknowledges the audit findings concerning the absence of adequate supporting documents for certain payments, including contracts, invoices, and delivery notes as highlighted in Tables 2A and 2B of the audit report.*
- 1.1.2.11 *We respectfully wish to clarify that supporting documentation exists for all payments referenced in the report. These documents, including signed contracts, approved invoices, goods received notes, and delivery acknowledgments—were duly prepared and*



maintained at the time of each transaction. The absence of these documents during the audit exercise may have been due to timing or logistical challenges in retrieval from our physical archives. Between 2018 to 2020, the Board approved bonuses that were paid to staffers. The Management team will furnish GAC with those documents.

1.1.2.12 *To address this gap and ensure timely access to records during future audits, Management has commenced a review and reorganization of all project-related documentation to ensure all records are properly filed and cross-referenced for audit and internal review purposes.*

1.1.2.13 *Corrective Actions and Commitments Going Forward:*

1. *Reconciliation and Submission of Supporting Documentation: Management is currently undertaking a reconciliation exercise to compile and submit all relevant documentation for the expenditures referenced in Tables 2A and 2B. These documents will be submitted to the Office of the Auditor General to substantiate the validity of the payments.*

2. *Strengthening Internal Controls: Going forward, Management will reinforce internal control mechanisms to ensure that all disbursements are fully supported by approved and complete documentation in accordance with the Public Financial Management (PFM) Act and applicable procurement regulations.*

1.1.2.14 *Mandatory Documentation for All Transactions:*

1. *Management has issued a directive requiring that all financial transactions be accompanied by a complete set of supporting documentation, including but not limited to:*

- a. Signed contracts or agreements*
- b. Purchase orders*
- c. Delivery notes or service completion reports*
- d. Invoices*
- e. Approved payment vouchers*

1.1.2.15 *These documents must be reviewed and approved prior to disbursement and filed appropriately for ease of access and future reference.*

1.1.2.16 *Digitization and Record Management:*

1.1.2.17 *1. To mitigate the risk of missing or inaccessible records in future audits, Management is accelerating the implementation of an electronic document management system. This system will ensure that all supporting documents are digitized, securely archived, and linked to their corresponding transactions in the accounting software. This initiative is expected to significantly improve transparency, accountability, and audit readiness.*

1.1.2.18 *2. Management remains committed to strengthening financial governance and accountability. We appreciate the observations and recommendations of the audit team*

and will continue to improve our systems to ensure full compliance with financial regulations and best internal practices.

- 1.1.2.19 *3. Procurement to review contracts and delivery notes and Finance to review vouchers and invoices that will be submitted from past administration because the streetlight project was managed by the past administration.*

Auditor General's Position

- 1.1.2.20 Management did not adequately address the issue raised. Management did not provide original copies of the transactions supporting documents such as; contracts, payment vouchers, invoices, delivery notes, etc where applicable for various expenditures. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendation during subsequent audit.

1.1.3 Irregularities Associated with the International Bank Loan (Overdraft Facility)

Criteria

- 1.1.3.1 Count 10 of the Public Procurement and Concessions Commission Regulation of 2005 under the caption "contracts over US\$250,000", states that ", The Minister shall take part in the negotiations and signings of contracts over US\$250,000 and the contracts shall be attested to by the Minister of Justice. The Procuring or concession Entity shall comply with the thresholds set out in the schedule to the regulation in accordance with the provisions of the PPC Act".
- 1.1.3.2 Section M4 of the Public Financial Management Act of 2009 states " 1) Subject to the provisions of Sections 29 of the Public Financial Management Act 2009, State-Owned enterprises are permitted by the Government to borrow directly from domestic sources or from abroad on the principle "self-borrowing and self-repayment" ,to carry out development projects, subject to approval of the Minister and Debt Management Committee.

Observation

- 1.1.3.3 During the audit, we observed the following irregularities associated with an overdrawn bank account at the International Bank with account number IB00121970150940802 with closing overdrawn balance as at December 31, 2023 amounting to US\$635,270.74.
- 1.1.3.4 Additionally, we observed the following irregularities:
- No evidence of approval of the overdraft facility by the Board of RREA, the Minister of Finance and Development Planning (MFDP), Minister of Justice (MoJ) and the Debt Management Committee as required.
 - No evidence of an overdraft facility document from the International Bank of Liberia comprehensively cataloguing the terms of the overdraft agreements including limit of the overdraft, processing fee and periodic interest charges.
 - No evidence of the approved purpose for which the overdraft facility was obtained.



Risk

- 1.1.3.5 Management may be non-compliant with Regulation R.3 of the PFM Act.
- 1.1.3.6 Obtaining and usage of overdraft facility without the Board of Directors' approval may lead to misappropriation of the entity's funds. Continuous acquisition of overdraft facilities without a specified justification may lead to significant interest payments and uncontrolled expenditures.
- 1.1.3.7 Unapproved processing fees and periodic interest rates may be charged to the entity's bank account in the absence of approved overdraft documents.

Recommendation

- 1.1.3.8 Management should provide substantive justification for obtaining an overdraft facility without evidence of the Board of Directors approval. The usage for total overdraft expenditure amounting to US\$635,270.74 should also be comprehensively catalogued as part of Management Response to this Management Letter.
- 1.1.3.9 Additionally, Management should submit the overdraft agreement not made available for audit purposes as part of Management's response to this Management Letter.
- 1.1.3.10 Going forward, Management should ensure that all overdraft facilities are approved by the Board of Directors before initiation of the overdraft request to the bank. Evidence of approved overdraft facility by the Board of Directors should be adequately documented and filed to facilitate future review.
- 1.1.3.11 Management should also perform periodic reconciliations on all overdraft facilities to ascertain the completeness and accuracy of overdraft processing fees and periodic interest payments. Discrepancies identified should be addressed where applicable in a timely manner. Evidence of monthly bank reconciliation statements should be adequately documented and filed to facilitate future review.
- 1.1.3.12 Management should facilitate the operationalization of the electronic document management system by ensuring that all relevant source and supporting documents are scanned, attached to the transaction (in the accounting software for financial transactions), archived and maintained to facilitate future review.

**Management's Response
(Former Management's Response)**

- 1.1.3.13 *Management acknowledges the audit observations regarding the overdraft facility maintained at the International Bank Liberia (account number: 00121970150940802), with a reported overdrawn balance of US\$635,270.74 as of December 31, 2023.*
- 1.1.3.14 *Management wishes to clarify the following:*



Board and Ministerial Approval:

1. *Contrary to the audit observation, Management affirms that the overdraft facility was duly authorized through a Board Resolution, which approved the request to secure the facility in line with internal governance procedures. This resolution is available and will be submitted to the Office of the Auditor General for verification.*

Facility Agreement Documentation:

2. *Management further confirms that a formal facility agreement was executed with International Bank Liberia, outlining the terms and conditions, including the approved overdraft limit, processing fees, repayment schedule, and applicable interest rates. A copy of this agreement will be made available to the auditors as part of this response.*

Purpose and Utilization:

1. *The overdraft facility was obtained to address short-term liquidity needs arising from delays in the release of government subventions and donor project reimbursements. The utilization of the facility was limited strictly to operational obligations and critical project execution costs.*
2. *Payment was made to QGCC to finance the commencement of Ganta Street Lighting Project.*
3. *Other payments were used to finance the purchase of other streetlights.*

Corrective Actions and Commitments Going Forward:

1. *Enhanced Documentation and Filing:*
2. *Management will ensure that all future overdraft arrangements are supported by full documentation, including:*
3. *Board of Directors' resolution*
4. *Ministerial and Debt Management Committee approvals (where applicable)*
5. *Facility agreements*
6. *Documentation of purpose and terms*
7. *These will be properly filed and made readily available for audit review.*

Periodic Review and Reconciliation:

- 1.1.3.15 *Management will conduct monthly reconciliations on all overdraft balances to ensure accurate reflection of interest charges, processing fees, and repayments. Any discrepancies will be investigated and resolved promptly. Bank reconciliation statements will be documented and retained for reference.*

Compliance with the PFM Act:

- 1.1.3.16 *Management reaffirms its commitment to full compliance with Section M4 and Regulation R.3 of the PFM Act. All future borrowing activities, whether short-term or long-term—will be subject to the approval protocols established by the law and coordinated with the Ministry of Finance and the Debt Management Committee, as applicable.*



Digitization of Financial Documents:

- 1.1.3.17 *To strengthen audit readiness and institutional memory, Management will prioritize the implementation of an electronic document management system, ensuring that all financial agreements, including those relating to overdraft facilities, are scanned, archived, and digitally linked to the relevant transactions within the accounting system.*
- 1.1.3.18 *Management remains committed to ensuring prudent financial management and full regulatory compliance in the acquisition and administration of financial facilities. The issues raised by the auditors are being addressed, and all supporting documentation will be submitted to facilitate closure of this matter.*

Auditor General's Position

- 1.1.3.19 Management's provision of Board approval and overdraft facility agreement after our audit execution, does not guarantee Management effective control of document management. Going forward, Management should ensure that requested documents for audit purposes are submitted in a timely manner.
- 1.1.3.20 Further, Management should ensure that all contracts/loan agreements in excess of US\$250,000.00 are approved by the Minister of Finance and Development Planning (MFDP) and the Minister of Justice (MoJ) as required.

1.1.4 Third Party Payments to Individuals

Criteria

- 1.1.4.1 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

- 1.1.4.2 During the audit, we observed that Management made several third-party payments totaling US\$910,756.49 and LR\$17,160,258.89 to staff and other individuals rather than making direct payment to service providers or their legally authorized representatives. See Annexure 1A & 1B for details.
- 1.1.4.3 In addition, we observed no evidence of segregation of duties over the initiation, processing and payments of the transactions as the transactions were processed exclusively by the Office of the Executive Director.

Risk

- 1.1.4.4 Issuing checks to individuals who are not the legally authorized representative of an entity spelled out in a contract under the mode of payment may facilitate misappropriation of funds or fraud.
- 1.1.4.5 This practice may also lead to Management override of the procurement processes by completing disbursement without facilitating due procurement processes.

Recommendation

- 1.1.4.6 Management should initiate and complete all procurement processes as required by the PPCC and the Public Financial Management Act.
- 1.1.4.7 Going forward, all payments for goods and services procured by the entity should be made directly to the vendor or their legally authorized representative names indicated in their contracts.
- 1.1.4.8 Alternatively, Management should utilize the mobile money platform by transferring funds directly to vendors while maintaining the relevant source and supporting documentations that authorizes the individual mobile money account.

Management's Response

(Former Management's Response)

- 1.1.4.9 *Management acknowledges the audit observation regarding third-party payments totaling US\$890,768.10 and LRD 17,160,258.89 made to staff and other individuals rather than directly to the contracted vendors or their legally authorized representatives.*
- 1.1.4.10 *The circumstances surrounding these transactions were exceptional. Management was compelled to issue payments in the names of designated staff members due to challenges with vendor acceptance of government-issued cheques. Several vendors declined to receive direct payments via cheque due to delays in encashment. As a result, staff were authorized to effect payments and ensure timely execution of project deliverables—especially for urgent procurement needs such as the purchase and delivery of solar streetlights and poles.*
- 1.1.4.11 *This project was executed by the staff of the RREA. Nonetheless, Management affirms that all such transactions were executed in good faith, with appropriate internal controls in place to prevent abuse. Supporting documentation including receipts, delivery notes, payment vouchers, and location records of delivered materials were collected and are being compiled for submission to the Office of the Auditor General as part of this response.*

Corrective Actions and Commitments Going Forward:

Submission of Supporting Documentation:

- 1.1.4.12 *Management is currently organizing and will submit all supporting documentation such as receipts, delivery notes, and signed acknowledgments—verifying that the funds disbursed through individual staff were used for their intended purposes.*

Direct Payment to Vendors:

- 1.1.4.13 *Going forward, Management will ensure that all payments for goods and services are made directly to vendors or their legally authorized representatives, as stipulated under Regulation B.28 of the PFM Act.*



Utilization of Alternative Payment Platforms:

- 1.1.4.14 *In cases where vendors are unable or unwilling to accept cheques, Management will explore and implement mobile money transfers or bank wire payments directly to the vendors' registered accounts. Any such arrangement will be supported by written authorization and verification of ownership of the mobile or bank account by the vendor.*

Internal Policy Update and Staff Sensitization:

- 1.1.4.15 *Management will revise internal disbursement procedures to reflect a zero-tolerance policy for third-party payments unless exceptional circumstances are justified in writing, approved by senior management, and fully supported by documentation. Staff will be trained accordingly.*

Recordkeeping and Audit Preparedness:

- 1.1.4.16 *All future transactions will be fully documented and maintained in both physical and electronic formats, including scanned records linked to payment vouchers in the accounting system, to support effective audit trail and compliance.*
- 1.1.4.17 *Management appreciates the observations made by the audit team and is taking corrective steps to enhance payment practices in compliance with the PFM Act. We remain committed to promoting transparency, accountability, and strong financial controls in the execution of our mandate.*

Auditor General's Position

- 1.1.4.18 Management's assertions did not adequately address the issue raised and was not supported by documentary evidence as asserted in Management's response. Payment for goods and services to a staff for subsequent disbursement to vendors and beneficiaries (where applicable) is in violation of 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.

1.1.5 Irregularities Associated with the Implementation and Payments of the Supply and Installation of Solar Panel Streets Light Contracts

Criteria

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

Observation

- 1.1.5.2 During the audit, we observed that Management made several payments amounting to US\$1,892,150.00 and LR\$57,734,040.00 to contractors without evidence of evaluation

reports and certificate of completion before disbursement of funds. **See tables 3A & 3B below.**

- 1.1.5.3 Additionally, we observed no evidence of segregation of duties over the initiation, processing and payments of the transactions as the transactions were processed exclusively by the Office of the Executive Director.

Table 3A: Payments (USD) made without evidence of evaluation reports and certificate of completion before making those payments

Transaction Date	Description/Entity	Bank Account	US\$
9/22/2020	ASIAN LIBERIA LIMITED	CBL 1502023275	391,020.00
8/17/2021	ASIAN LIBERIA INVESTMENT LTD	IB00121970150940802	325,850.00
12/14/2021	ASIAN LIBERIA INVESTMENT LTD	IB00121970150940802	196,000.00
1/6/2022	BMC GROUP	IB00121970150940802	60,000.00
3/4/2022	QUALITY GROUP OF COSTRUCTION COMPANIES	IB00121970150940802	250,000.00
3/14/2022	QUALITY GROUP OF COSTRUCTION COMPANIES	IB00121970150940802	50,000.00
4/8/2022	ASIAN LIBERIA INVESTMENT LTD	IB00121970150940802	40,180.00
4/15/2022	ASIAN LIBERIA INVESTMENT LTD	IB00121970150940802	88,200.00
5/27/2022	ASIAN LIBERIA INVESTMENT LTD	IB00121970150940802	377,900.00
1/30/2023	GO SOLAR INC	CBL 1502023279	67,000.00
8/18/2023	GO SOLAR INC	CBL 1502023290	46,000.00
Total			1,892,150.00

Table 3B: Payments (LRD) made without evidence of evaluation reports and certificate of completion before making those payments

Transaction Date	Description/Entity	Bank Account	LR\$
4/16/2022	ASIAN LIBERIA LIBERIAN INVESTMENT LTD	IB 001219101550940901	8,400,000.00
4/25/2022	ASIAN LIBERIA LIBERIAN INVESTMENT LTD	IB 001219101550940901	450,000.00
4/25/2022	ASIAN LIBERIA LIBERIAN INVESTMENT LTD	IB 001219101550940901	9,000,000.00
22-Sep-22	ASIAN LIBERIA LTD	CBL 1501008999	39,884,040.00
Total			57,734,040.00

- 1.1.5.4 Furthermore, we observed the following irregularities associated with the entity's supply and installation of solar panel street lights, from four (4) counties sampled out of the 15 counties during our physical verification exercise: **See table 3C below.**



Table 3C: Discrepancies identified on the implementation of the solar street lights installations

No.	Location	No Poles per Matrix	No of Poles per GAC Verification	Variance	Discrepancies
1	Nimba-Ganta Corridor	400	321	79	<ul style="list-style-type: none"> • Sub-contract between JEP and QGCC not provided for audit purposes • Amended contract between RREA and QGCC to install electric poles did not state the number of poles to be erected • Several poles erected were observed to be without lights installed • Several lights were observed to be in the warehouse and were yet to be installed on poles erected • Several poles observed (kept) in the warehouse were yet to be erected
2	Nimba-Zorgowee Corridor	300	0	300	<ul style="list-style-type: none"> • No solar street lights were verified as installed in zorgorwee • No contract to determine contractor for Zorgorwee project implementation • Matrix showing Zorgowee as area/location of project implementation was not backed by any contract
3	Nimba-Sanniqueellie Corridor	300	75	225	<ul style="list-style-type: none"> • Contract to Asian Group and QGCC did not specify quantity of poles to be planted in this location • No evidence of turnover of project to county authorities detailing quantity of poles planted • Poles planted did not meet the approved



No.	Location	No Poles per Matrix	No of Poles per GAC Verification	Variance	Discrepancies
					specification for the anchor bolt <ul style="list-style-type: none"> Several solar poles were reported by county authorities as stolen. However, we observed no evidence/situation reports to validate these assertions.
4	Bong-Gbarnga Corridor	1,500	368	1,132	<ul style="list-style-type: none"> Contract to Asian Group and QGCC did not specify quantity of poles to be planted in this location No evidence of turnover of project to county authorities detailing quantity of poles planted Poles planted did not meet the approved specification for the anchor bolt Several solar poles were reported by county authorities as stolen. However, we observed no evidence/situation reports to validate these assertions.
5	Bong-Bong mines Corridor	600	41	559	<ul style="list-style-type: none"> Contract to Asian Group and QGCC did not specify quantity of poles to be planted in this location No evidence of turnover of project to county authorities detailing quantity of poles planted Poles planted did not meet the approved specification for the anchor bolt Several solar poles were reported by county authorities as



No.	Location	No Poles per Matrix	No of Poles per GAC Verification	Variance	Discrepancies
					<p>stolen. However, we observed no evidence/situation reports to validate these assertions.</p>
	Margibi-Kakata Corridor	150	106	44	<ul style="list-style-type: none"> • Contract to Asian Group and QGCC did not specify quantity of poles to be planted in this location • No evidence of turnover of project to county authorities detailing quantity of poles planted • Poles planted did not meet the approved specification for the anchor bolt • Several solar poles were reported by county authorities as stolen. However, we observed no evidence/situation reports to validate these assertions.
	Grand Bassa-Buchanan Corridor	450	219	231	<ul style="list-style-type: none"> • Contract to Asian Group and QGCC did not specify quantity of poles to be planted in this location • No evidence of turnover of project to county authorities detailing quantity of poles planted • Poles planted did not meet the approved specification for the anchor bolt • Several solar poles were reported by county authorities as stolen. However, we observed no evidence/situation reports to validate these assertions.



1.1.5.5 Also, we observed no evidence of delivery reports for the supply of solar street lights for which MATY Incorporated was contracted to supply.

Risk

1.1.5.6 Goods/Services procured may not be delivered or not delivered up to approved specifications.

1.1.5.7 Payments may be made for services not performed or not performed up to approved specifications.

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

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

Recommendation

1.1.5.10 Management should account for the discrepancies observed in approved contracts deliverables catalogued in Tables **3A, 3B & 3C** above. Management should also provide the sub-contract between JEP and QGCC not provided for audit purposes.

1.1.5.11 Going forward, Management should develop, approved and operationalize a work plan to facilitate the smooth implementation of service for all contractors. The work plan should comprehensively catalog phases of 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. Management should ensure that the Site Supervisor submits a completion certificate upon completion of deliverables and validate the deliverables before further payments are made to Contractors.

1.1.5.12 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. Evidence of periodic monitoring and evaluation reports should be adequately documented and filed to facilitate future review.

Management's Response
(Current Management)

1.1.5.13 *The finance department did not manage this project. Therefore, the Finance Department will identify payment vouchers for transactions in table 3a,3b & 3c to ascertain if payments were made to contractors without evidence of evaluation reports and certificates of completion when those documents are submitted by the past administration.*

(Former Management subsequent response after submission of additional documentation after our audit execution)

- 1.1.5.14 **Complete Documentation Submitted:** Management confirms that contracts, PPCC No Objection letters, and certificates of completion were all submitted for the 5 companies in question (Asian Liberia Limited, BMC Group, Quality Group of Construction Companies, Go Solar Inc., and MAW Incorporated). These documents fully support payments totaling US\$1,892,150 and LRD 57,734,040 listed in Tables 3A and 3B.
- 1.1.5.15 **Project Context:** Quick Impact Project for urgent energy access. Additional records (field reports, delivery notes, subcontracts) remain available in project/finance files.
- 1.1.5.16 **Physical Verification:** The project was implemented more than 6 years ago. Discrepancies in Table 3C reflect phased implementation, timing differences between original installation and recent verification, and the real possibility that some streetlights may have been stolen or spoiled due to prolonged exposure to harsh environmental conditions and lack of maintenance.

Commitment to Compliance

- 1.1.5.17 Management reaffirms commitment to PFM Act, PPCC regulations, and sound financial governance. These audit findings will strengthen documentation, internal controls, segregation of duties, and project monitoring to prevent recurrence and enhance audit readiness

Auditor General's Position

- 1.1.5.18 Management's assertions were not supported by adequate documentation. Management did not provide the sub-contract between JEP and QGCC for audit purposes as requested. Sub-contracts provided after our audit execution was between the Ministry of State and the Jungle Energy Power. Further, original copies of the comprehensive amended contract between RREA and the QGCC, that amended the provision of solar street light project to electricity street light project was not submitted for audit purposes. Management only submitted extracts of the contract via WhatsApp. Further, Management did not provide evidence of periodic monitoring and evaluation reports and service completion certificates to validate the actual service performed before payments to vendors. Therefore, we maintain our findings and recommendations. We will follow up on the implementation of our recommendations during subsequent audit.

1.1.6 Non-Submission of Payroll Journals

Criteria

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



Comptroller General, the relevant internal auditor or any officers authorized by them, by the Minister.”

Observation

1.1.6.2 During the audit, we observed the following irregularities associated with salaries disbursements:

- Copies of payrolls journal from July 1, 2018 to December 31, 2023 were not made available for audit purposes. As a result, we were unable to ascertain the completeness, existence and accuracy of personnel expenses for the periods under audit.
- From July 1, 2018 to November 30, 2019, Management facilitated the processing and disbursement of its personnel expenses. Total receipt from GoL per the CBL Bank Statements amounted to US\$322,670.38 and LR\$11,651,794.66 while actual expenditure per the bank statements amounted to US\$315,648.66 and LR\$10,304,325.38, thereby resulting into variances amounting to US\$7,021.72 and LR\$1,347,469.28. See table 3D below. As we did not obtain copies of the payroll journals, we were unable to ascertain the completeness, existence and accuracy of personnel expenses for the periods July 1, 2018 to November 30, 2019.

Table 3D: Total amount received and spent via the CBL account between July 1 2018 to December 31, 2019 without evidence of the total amount paid to employees

Bank Account	Amount Received US\$	Amount Disbursed US\$	Variance US\$	Amount Received LR\$	Amount Disbursed LR\$	Variance LR\$
CBL 1502023238	322,670.38	315,648.66	7,021.72			
CBL 1501008995				11,651,794.66	10,304,325.38	1,347,469.28

Risk

1.1.6.3 The completeness, existence and accuracy of payroll expenses may not be assured; therefore, the financial statements may be misstated.

1.1.6.4 In the absence of payroll journals to substantiate the legitimacy of personnel expenses, salaries may be disbursed to illegitimate personnel and/or subjected to misappropriations and/or fraud.

Recommendation

1.1.6.5 Management should submit the payrolls journals for the period July 1, 2018 to December 31, 2023, not made available for audit purposes, as part of Management’s response to this Management Letter.

1.1.6.6 Management should procure and operationalize a functional payroll system to facilitate complete, accurate and real-time recording of all payroll transactions of the entity.



- 1.1.6.7 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 payroll ledger. Going forward, an automated linkage should be created between the payroll ledger, trial balance and the financial statements to facilitate completeness and accuracy of the financial statements.
- 1.1.6.8 Management should ensure that all payroll journals are printed out, approved by the relevant authorities and adequately documented and filed to facilitate future review.
- 1.1.6.9 Management should also facilitate the operationalization of the electronic document management system by ensuring all relevant source and supporting documents for payroll transactions are scanned, attached to the transactions in the payroll and accounting software, archived and maintained to facilitate future review.

**Management Response
(Current Management)**

- 1.1.6.10 *Admin to provide payroll from July 1, 2018- December 1, 2019 to verify the discription of LD\$1,347,469.28 and US\$7,021.72. To verify the discription management wrote the past Finance Director, Mardia P. Warner and Director of Administration and Operations, Kim A. Thomas for clarity. Payrolls for January 2020 to December 2023 were processed directly by MFDP and CSA.*

(Former Management's Response)

- 1.1.6.11 *Management acknowledges the audit observations regarding the non-submission of payroll journals covering the period July 1, 2018, to December 31, 2023, and the variances noted between amounts received and expended for personnel costs during the period July 1, 2018, to November 30, 2019.*
- 1.1.6.12 *Management wishes to clarify the following:*

1. Action on Historical Payroll Records (2018–2019):

- 1.1.6.13 *In response to the audit request, Management has initiated efforts to retrieve the payroll journals for the period July 1, 2018 to November 30, 2019. Letters of request have been sent to the former Finance Director, Mrs. Mardia P. Warner, and the former Director of Administration and Operations, Ms. Kim A. Thomas, who were responsible for payroll management during the referenced period, to provide clarity on the payroll processes, supporting documentation, and explanations for the noted variances amounting to US\$7,021.72 and LRD 1,347,469.28.*

2. Payrolls Processed by MFDP and CSA (2020–2023):

- 1.1.6.14 *Management confirms that, beginning January 2020, payroll processing was centralized and managed directly by the*
- 1.1.6.15 *Ministry of Finance and Development Planning (MFDP) and the Civil Service Agency (CSA). Therefore, all payroll records for the period January 2020 to December 2023 are*

maintained and available with these institutions. Management is liaising with MFDP and CSA to formally obtain and archive these payroll records for future audits.

Corrective Actions and Commitments Going Forward:

1. Submission of Outstanding Payrolls:

1.1.6.16 *Management is actively pursuing the retrieval of the missing payroll journals for the period July 1, 2018, to November 30, 2019, and will submit these documents to the Office of the Auditor General as soon as they are received.*

2. Procurement of a Payroll Management System:

1.1.6.17 *Management acknowledges the need for an integrated payroll system. Plans are underway to procure and operationalize a functional payroll management system that will ensure complete, accurate, and real-time recording of all payroll transactions.*

3. Implementation of Automated Controls:

1.1.6.18 *Going forward, Management will implement automated control measures whereby payroll transactions posted by junior staff must be reviewed and approved electronically by senior management personnel before posting to the general ledger. This control will enhance the accuracy and legitimacy of payroll expenses.*

1.1.6.19 *4. Linkage Between Payroll, Trial Balance, and Financial Statements:*

1.1.6.20 *Management will establish an automated system that will ensure linkage between the payroll ledger, trial balance, and financial statements to ensure consistency, completeness, and accuracy in financial reporting.*

5. Proper Documentation and Filing:

1.1.6.21 *Management will ensure that all payroll journals are printed, reviewed, approved by authorized personnel, and adequately documented and filed systematically to facilitate timely review and audit verification.*

6. Digitization of Payroll Records:

1.1.6.22 *In alignment with modern best practices, Management will ensure that all payroll source documents are scanned, electronically attached to payroll transactions within the accounting software, archived, and securely maintained for ease of access and future review.*

1.1.6.23 *Management remains committed to strengthening financial reporting, ensuring transparency in payroll administration, and enhancing record-keeping practices. We appreciate the observations of the audit team and will take all necessary corrective actions to address the identified weaknesses.*



Auditor General's Position

1.1.6.24 Management's assertions did not adequately address the issues raised and was not supported by documentary evidence. The processing of the entity's monthly payroll by the MFDP and the CSA, for the periods indicated in Management's response, does not preclude Management from maintaining monthly payroll journals. For all entities whose payrolls are processed by the MFDP and the CSA, Management of the respective entities are responsible for providing monthly adjusted (where applicable) payroll journals to the CSA and MFDP for subsequent processing and disbursements. Therefore, we maintain our findings and recommendations. We will follow up on the implementation of our recommendations during subsequent audit.

1.1.6.25 Further, Management should account for the variances between amounts received for payroll expenditures and amounts subsequently disbursed to employees amounting to LD\$1,347,469.28 and US\$7,021.72, comprehensively catalogue in Table 3D above.

1.2 Governance

1.2.1 No Monitoring & Evaluation

Criteria

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

Observation

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

Risk

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

1.2.1.4 Value for money may not be achieved and entity resources may be subjected to misapplication and misappropriation.

Recommendation

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

**Management's Response
(Former Management's Response)**

1.2.1.6 *Due to MFDP restrictions on the hiring of new GoL funded staff, the Agency was unable to recruit an M&E unit to fulfil its required M&E activities. Despite the lack of an M&E unit, the Agency conducted routine M&E visits of its project's activities. See Management's exhibits of some field visits of our project activities. Management wishes to respectfully clarify the following:*

1. Constraints on Establishing a Functional M&E Unit:

1.2.1.7 *Despite Management's recognition of the importance of a strong Monitoring and Evaluation system, efforts to establish a fully functional M&E Committee were significantly hampered by the lack of adequate staffing. Several formal requests were made to the Civil Service Agency (CSA) and the Ministry of Finance and Development Planning (MFDP) to recruit and deploy qualified M&E professionals to RREA. However, these requests were either delayed or remained unfulfilled due to Central Government budgetary and staffing constraints beyond Management's control.*

2. Internal Efforts Toward M&E:

1.2.1.8 *In the absence of dedicated M&E personnel, Management informally assigned internal staff members to monitor and track project implementation progress. However, the absence of a dedicated unit limited the effectiveness and formality of these efforts, particularly in the systematic production of M&E reports and documentation for audit purposes.*

3. Senior Management Meetings:

1.2.1.9 *The Senior Management Team conducted regular Senior Management meetings in respect of its functions. See Management's Exhibits of Senior Management Meeting Minutes.*

Corrective Actions and Commitments Going Forward:

1. Strengthening Monitoring and Evaluation:

1.2.1.10 *Management will engage with the relevant authorities to advocate for the immediate recruitment and deployment of qualified M&E personnel to RREA. Meanwhile, an interim internal M&E team will be constituted from existing staff to develop and implement:*

- a. Annual M&E plans*
- b. Regular M&E activity reports*
- c. Field verification reports for project deliverables*

2. Formalization of M&E Reporting:

1.2.1.11 *Management will develop templates and frameworks for periodic monitoring and evaluation reports aligned with approved work plans and project targets. These reports will be compiled, reviewed, approved by senior management, and systematically filed for ease of audit review.*

3. Institutionalization of Senior Management Meetings:

- 1.2.1.12 *Management will ensure that senior management meetings are conducted on a periodic basis (at least monthly or as necessary) and that:*
- a. Meeting agendas are prepared in advance.*
 - b. Proceedings are fully documented through detailed meeting minutes.*
 - c. Action points and timelines are clearly assigned and monitored.*
 - d. Progress on prior decisions is reviewed in subsequent meetings.*

4. Documentation and Filing:

- 1.2.1.13 *Minutes of all meetings and M&E reports will be properly approved and systematically filed both in physical archives and electronically within the agency's document management system.*

5. Strengthening Oversight and Accountability:

- 1.2.1.14 *Management will integrate the tracking of operational and strategic objectives into its regular performance management framework, thereby enhancing oversight and facilitating the achievement of institutional deliverables.*

Conclusion:

- 1.2.1.15 *Management remains committed to improving Monitoring and Evaluation processes and strengthening senior management oversight through structured meetings, formal documentation, and proactive follow-up mechanisms. We appreciate the observations of the audit team and will take all necessary steps to address the gaps identified.*

Auditor General's Position

- 1.2.1.16 Management's assertions were not supported by documentary evidence. Management did not submit copies of periodic monitoring and evaluation reports for the periods under audit as asserted in Management's response. Therefore, we maintain our findings and recommendations. We will follow up on the implementation of our recommendations during subsequent audit.

1.2.2 Lack of Senior Management Meeting Minutes

Criteria

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



Observation

- 1.2.2.2 During the audit, we observed no evidence of the Board's meeting minutes to facilitate oversight and review of Management functions.

Risk

- 1.2.2.3 The strategic oversight over the function of Management may be impaired. This may impair the achievement of the institution's objectives.
- 1.2.2.4 Management may override institutional policies and procedures that may adversely impact the operations of the entity.
- 1.2.2.5 Monitoring and evaluation of the mandate and strategic and operational objectives of the entity may be impaired. This may impair the achievement of approved deliverables of the entity.

Recommendation

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

Management's Response

(Former Management's Response)

- 1.2.2.8 *Management respectfully clarifies that, contrary to the audit observation, Senior Management meetings were indeed held during the audit period, and meeting minutes were prepared and maintained. These minutes provide records of activities discussed, strategic decisions made, assigned action points, and timelines for implementation.*
- 1.2.2.9 *While we recognize that the minutes may not have been readily available during the initial audit review, Management affirms that the documentation exists and can be made available to the Office of the Auditor General for verification upon request.*

Corrective Actions and Commitments Going Forward:

1. Submission of Existing Senior Management Meeting Minutes:

- 1.2.2.10 *Management will immediately organize and submit copies of the available Senior Management meeting minutes to facilitate closure of this observation.*

Strengthening Documentation Practices:

- 1.2.2.11 *Agendas for all Senior Management meetings are prepared and circulated in advance.*



1.2.2.12 *Detailed minutes are documented, reviewed, approved by attendees, and properly filed both physically and electronically.*

1.2.2.13 *Meetings' minutes comprehensively capture key decisions, assigned responsibilities, timelines for deliverables, and follow-up actions.*

Establishment of a Decision-Tracking Platform:

1.2.2.14 *Management will implement a structured platform for tracking the status of decisions made at Senior Management meetings. Updates on progress towards the achievement of previous meeting deliverables will be a standing agenda item in subsequent meetings, ensuring continuity, monitoring of actions, and improved operational accountability.*

2. Institutionalization of Periodic Meetings:

1.2.2.15 *Management will formalize the scheduling of Senior Management meetings at regular intervals (e.g., monthly or quarterly) to maintain strategic oversight and support the achievement of organizational objectives.*

Conclusion:

1.2.2.16 *Management is committed to strengthening corporate governance through improved internal documentation, enhanced transparency, and proactive tracking of institutional deliverables. We appreciate the audit team's observations and will continue to implement best practices to support effective oversight and operational success.*

Auditor General's Position

1.2.2.17 Management's assertions were not supported by documentary evidence. Management did not submit copies of Senior Management meeting minutes for the periods under audit as asserted in Management's response. Therefore, we maintain our findings and recommendations. We will follow up on the implementation of our recommendations during subsequent audit.

1.2.3 No Annual Report

Criteria

1.2.3.1 The board of directors of an enterprise shall, within two months after the expiry of each financial year to which the financial statements relate, submit an annual report to the Minister, the Sector Minister, the Auditor General and the Bureau of State Enterprises dealing generally with the activities and operations of the enterprise within that year.

1.2.3.2 (2) The annual report shall include:

- a) a copy of the audited accounts of the enterprise;
- b) a statement of any directions given by the Sector Minister to the Board or Bureau of State Enterprise within that year in accordance with this Act and the enactment under which the enterprise exists; and
- c) such other information as the Sector Minister may in writing reasonably



request.

- 1.2.3.3 (3) A copy of the annual report of the Board of Directors of an enterprise shall also be sent by the Board to the head of the Liberia Institute of Statistics and Geographical Information Systems; the Governor of the Central Bank of Liberia; and any other person that the Minister may determine.
- 1.2.3.4 (4) The Auditor General shall review the annual report and present his/her opinion to the Legislature alongside the audit report of government financial operations for the previous year.
- 1.2.3.5 (5) The Minister shall present a statement of the overall performance of State Owned Enterprises to the Legislature alongside the budget proposals for the following year.

Observation

- 1.2.3.6 During the audit, we observed no evidence of annual reports prepared by management for the period under audit.

Risk

- 1.2.3.7 Significant activities, achievement, challenges and measures to mitigate challenges may not be adequately documented. This may impair institutional performance measurement and the development of remediation strategy to address existing challenges and constraints.
- 1.2.3.8 Information to facilitate institutional memory, expedite learning curves and provision of current administrative and operational status of the entity may not be available.

Recommendation

- 1.2.3.9 Management should facilitate the preparation and approval of administrative and operational activities reports on an annual basis. The reports should cover the proposed goals for the fiscal year, achievement against those goals, significant activities and challenges and measures to mitigate challenges in the near future. The report should also contain the entity audited financial statements (or at least a management account) to adequately inform stakeholders about the annual financial activities of the entity.
- 1.2.3.10 The report should be approved by the head of the entity and subsequently submitted to the Offices of the Auditor General, the Comptroller and Accountant General and the sector minister. Evidence of approved annual administrative and operational activities reports should be adequately documented and filed to facilitate future review.

**Management's Response
(Current Management's Response)**

- 1.2.3.11 *Mr. Stephen V. Potter, Deputy Executive Director for Programs has indicated that there are Annual Reports for the periods under review and thus has evidence of the annual reports covering administrative and operational activities of RREA covering the periods 2018 to 2023.*



(Former Management's Response)

- 1.2.3.12 *Management respectfully clarifies that, contrary to the audit observation, annual reports covering administrative and operational activities of the Rural and Renewable Energy Agency (RREA) for the periods 2018 to 2023 do exist. These reports document the Agency's major activities, strategic achievements, challenges encountered, and measures implemented to address operational constraints during the referenced periods.*
- 1.2.3.13 *The reports also include financial performance summaries for each fiscal year and provide comprehensive updates on the execution of RREA's mandate. Copies of these annual reports are available and will be made accessible to the Office of the Auditor General for verification.*
- 1.2.3.14 *Management acknowledges that delays in timely submission of these reports to certain oversight institutions, as required by the Public Financial Management (PFM) Act and other relevant statutes, may have occurred due to logistical and administrative challenges, but the preparation and internal approval of the reports were completed.*

Corrective Actions and Commitments Going Forward:

1. Submission of Outstanding Reports:

- 1.2.3.15 *Management will immediately compile and submit the available annual administrative and operational activity reports for the years 2018 to 2023 to the relevant authorities, including:*
- a. The Office of the Auditor General*
 - b. The Comptroller and Accountant General*
 - c. The sector minister (Ministry of Mines and Energy)*
 - d. Other relevant stakeholders (e.g., LISGIS, Central Bank of Liberia)*

2. Strengthening Annual Reporting Process:

- 1.2.3.16 *Management will institutionalize a formal annual reporting process to ensure that reports are completed, approved, and submitted no later than two months after the end of each fiscal year, as mandated by law.*

3. Content Enhancement:

- 1.2.3.17 *Future annual reports will consistently include:*
- a. Summary of proposed goals and achievement against those goals*
 - b. Key operational and administrative activities*
 - c. Challenges encountered and mitigation measures adopted*
 - d. Audited financial statements (or, where necessary, duly prepared management accounts)*
 - e. Any specific directives received from the sector minister*

4. Approval and Filing:

- 1.2.3.18 *All annual reports will be formally approved by the Executive Director and the Board of Directors (where applicable) and systematically filed, both physically and electronically, to ensure easy access for audits and stakeholder reviews.*



5. Monitoring and Compliance:

1.2.3.19 *Management will designate an officer responsible for monitoring compliance with annual reporting deadlines and requirements and for coordinating submissions to external stakeholders.*

1.2.3.20 *Management remains fully committed to enhancing transparency, institutional accountability, and compliance with statutory reporting requirements. We appreciate the audit team's observations and will continue working diligently to strengthen the documentation and timely dissemination of the Agency's annual performance reports.*

Auditor General's Position

1.2.3.21 Management's assertions were not supported by documentary evidence. Management did not submit copies of annual reports for the periods under audit as asserted in Management's response. Therefore, we maintain our findings and recommendations. We will follow up on the implementation of our recommendations during subsequent audit.

1.2.4 Training and Development Plan

Criteria

1.2.4.1 The Committee of Sponsoring Organizations of the Treadway Commission (COSO) states, that "commitment to competence includes the level of knowledge and skill needed to help ensure orderly, ethical, economical, efficient and effective performance, as well as a good understanding of individual responsibilities with respect to internal control".

1.2.4.2 The above can be evidenced by providing training, to raise the awareness of management and employees of the internal control objectives and, in particular, the objective of ethical operations, and helps them to understand the internal control objectives and to develop skills to handle ethical dilemmas.

Observation

1.2.4.3 During the audit, we observed no evidence that Management had a documented training and development plan for staff(s) of the Agency.

Risk

1.2.4.4 Lack of training and development plans may result in training programs not being able to address employees' training needs and performance deficiencies.

1.2.4.5 In the absence of an annual training plan, training may be conducted arbitrarily. This may impair the development plan and the required capacity of staff of the entity.

1.2.4.6 In the absence of periodic training/capacity-building initiatives, staff may not obtain the required capacity needed to achieve the objectives of the entity.

Recommendation

1.2.4.7 Management should develop, approve, and operationalize a comprehensive training plan that addresses the strategic capacity needs of the staff of the entity. The requisite training and capacity development plan for each unit should be identified and scheduled.

- 1.2.4.8 Evidence of annual capacity development plan should be adequately documented and filed to facilitate future review.

Management' Response
(Current Management's Response)

- 1.2.4.9 *Management asserts that, contrary to the auditor's assumption, we have a training and capacity building plan, which is available for verification.*

(Former Management's Response)

- 1.2.4.10 *Management respectfully clarifies that, contrary to the audit observation, the Rural and Renewable Energy Agency (RREA) maintains a documented training and capacity-building plan. This plan outlines key training initiatives aimed at enhancing the knowledge, skills, and competencies of staff to support the effective and ethical performance of their responsibilities, in line with the objectives of the internal control framework highlighted by COSO.*

- 1.2.4.11 *The training and development plan identifies strategic capacity needs across various operational units, prioritizes critical training areas, and schedules targeted development programs. Management affirms that the plan is available and can be made accessible to the Office of the Auditor General for verification purposes.*

- 1.2.4.12 *While training initiatives were implemented during the period under review, Management acknowledges that additional efforts are required to strengthen documentation practices and align training implementation more closely with annual work plans.*

Corrective Actions and Commitments Going Forward:

1. Submission of Training and Capacity Building Plan:

- 1.2.4.13 *Management will submit the current training and development plan to facilitate the closure of this audit observation and to demonstrate the Agency's commitment to staff development.*

2. Annual Review and Updating of Training Plan:

- 1.2.4.14 *Management will institute a process to review and update the training and development plan annually to ensure it reflects emerging strategic and operational capacity needs and aligns with the evolving objectives of the Agency.*

3. Formal Documentation of Training Activities:

- 1.2.4.15 *All training sessions conducted, including external workshops, seminars, and in-house capacity-building initiatives, will be properly documented through:*
- a. Training needs assessments*
 - b. Attendance records*
 - c. Training reports and feedback evaluations*
 - d. Certificates of completion (where applicable)*

4. Integration with Performance Management:

- 1.2.4.16 *Training and development programs will be integrated into the Agency's broader performance management system, linking employee development to performance improvement and organizational goals.*

5. Filing and Archiving:

- 1.2.4.17 *Evidence of annual capacity development plans, training implementation reports, and related supporting documents will be systematically filed (both in hard copy and electronically) to facilitate future audit reviews and internal assessments.*

- 1.2.4.18 *Management is committed to fostering a culture of continuous learning, ethical operations, and capacity development to enhance institutional effectiveness and achieve RREA's strategic objectives. We appreciate the audit team's observations and will take further actions to strengthen training planning, documentation, and reporting processes.*

Auditor General's Position

- 1.2.4.19 Management's assertions were not supported by documentary evidence. Management did not submit copies of training and development plan for the periods under audit as asserted in Management's response. Therefore, we maintain our finding and recommendations. We will follow up on the implementation of our recommendations during subsequent audit.

1.3 Budget Management

1.3.1 No Evidence of a Functional Budget Committee

Criteria

- 1.3.1.1 Regulation D.16.1 of the PFM Act of 2009 as amended and restated 2019 states that "Every head of government agency shall establish a Budget Committee which shall be responsible for budget formulation, implementation, monitoring and evaluation made up of (a) the head of government agency, who shall be the chairperson; and (b) Heads of budget management centers or cost centers)".

Observation

- 1.3.1.2 During the audit, we observed no evidence of a functional budget committee.

Risk

- 1.3.1.3 In the absence of functional budget committee, effective monitoring and evaluation of revenue and expenditure may be impaired. This may lead to under receipt of budgeted revenue and / or over expenditure.
- 1.3.1.4 Periodic Budget Performance Reports may not be prepared adequately or in a timely manner.
- 1.3.1.5 Management may be non-compliant with Regulation D.16.1 of the PFM Act of 2009 as amended and restated 2019.



Recommendation

- 1.3.1.6 Management should facilitate the establishment of a functional Budget Committee, evidenced by the documentation of attendance records, meeting minutes, and periodic activities reports. Evidence of attendance records, meeting minutes, and periodic activities reports should be adequately documented and filed to facilitate future review.

Management's Response

(Current Management's Response)

- 1.3.1.7 *Management asserts that, contrary to the auditor's assumption, we have a budget committee, with evidence available for verification. Moving forward, management will ensure the documentation of the committee, including meeting minutes and activity reports.*

(Former Management's Response)

- 1.3.1.8 *Management respectfully clarifies that, contrary to the audit observation, the Rural and Renewable Energy Agency (RREA) has an established and functional Budget Committee in accordance with Regulation D.16.1 of the Public Financial Management (PFM) Act of 2009 as amended and restated in 2019.*

- 1.3.1.9 *The Budget Committee comprises the Executive Director as Chairperson and the Heads of various Budget Management Centers or Cost Centers, as required. The Committee has been operational and has been responsible for budget formulation, implementation, monitoring, and evaluation activities.*

- 1.3.1.10 *Management acknowledges, however, that although the Committee was functioning, there were lapses in the systematic documentation and filing of records such as meeting minutes, attendance records, and periodic activity reports, which limited the ability to demonstrate evidence during the audit exercise.*

Corrective Actions and Commitments Going Forward:

1. Submission of Existing Evidence:

- 1.3.1.11 *Management will provide documentation for evidence of the existence and functionality of the Budget Committee, including records of committee membership and activities were available.*

2. Improved Documentation and Recordkeeping:

- 1.3.1.12 *Moving forward, Management will ensure that:*
- a. Formal minutes are prepared for all Budget Committee meetings;*
 - b. Attendance records are properly maintained;*
 - c. Periodic Budget Performance Reports and Committee activity reports are compiled, reviewed, and approved.*

3. Scheduled Meetings:

- 1.3.1.13 *The Budget Committee will convene regular meetings in accordance with an approved schedule to monitor revenue and expenditure performance, evaluate budget execution challenges, and propose corrective measures where necessary.*

4. Archiving of Records:

- 1.3.1.14 *All committee-related documentation will be systematically archived, both electronically and in hard copy, to facilitate future audits, management reviews, and effective institutional memory.*

5. Strengthening Budget Oversight:

- 1.3.1.15 *Management will reinforce the role of the Budget Committee in ensuring strict adherence to budgetary allocations, timely preparation of Budget Performance Reports, and proactive financial decision-making.*
- 1.3.1.16 *Management remains committed to full compliance with the Public Financial Management Act and to strengthening internal processes to enhance effective budget formulation, execution, and monitoring. We appreciate the observations raised by the audit team and will continue to take corrective steps to improve governance and financial management practices.*

Auditor General's Position

- 1.3.1.17 Management's assertions were not supported by documentary evidence. Management did not submit copies of periodic meeting minutes and activities reports of the Budget Committee for the periods under audit as asserted in Management's response. Therefore, we maintain our findings and recommendations. We will follow up on the implementation of our recommendations during subsequent audit.

1.3.2 No Evidence of a Budget Unit

Criteria

- 1.3.2.1 Regulations A.1 of the PFM Act of 2009 as amended and restated 2019 states that "the public shall be provided with full access to all appropriate information concerning the financial affairs of the Government. This will include, but not limited to, information about the development of annual and supplementary budget estimates, the quarterly fiscal outturn reports issued by the Ministry, the monthly revenue and quarterly budget performance reports of ministries and agencies state owned enterprises their annual accounts and reports and the Government's annual audited accounts".

Observation

- 1.3.2.2 During the audit, we observed no evidence that Management established a functional Budget Unit or employed a Budget Officer to record actual revenue collection and expenditure disbursement in a timely manner, for the period under review.

Risk

- 1.3.2.3 In the absence of a Budget Officer/ Budget Unit, actual revenue and expenditure may not be recorded in a timely manner. This may impair budget monitoring and evaluation, which may lead to under receipt of budgeted revenue and / or over expenditure.

Recommendation

- 1.3.2.4 Management should facilitate the immediate establishment of a Budget Unit, competitively hire qualified and experienced budget officers/ accountants to manage the activities of the unit.
- 1.3.2.5 The Budget Unit upon establishment should facilitate real time recording of actual revenue and expenditure and prepare periodic (quarterly and annual) budget performance reports for onward submission to the relevant authorities as required. Evidence of periodic budget performance reports should be adequately documented and filed to facilitate future review.

Management Response

(Former Management's Response)

- 1.3.2.6 *Management respectfully clarifies that, contrary to the audit observation, the Rural and Renewable Energy Agency (RREA) has an established and functional Budget Committee in accordance with Regulation D.16.1 of the Public Financial Management (PFM) Act of 2009 as amended and restated in 2019.*
- 1.3.2.7 *The Budget Committee comprises the Executive Director as Chairperson and the Heads of various Budget Management Centers or Cost Centers, as required. The Committee has been operational and has been responsible for budget formulation, implementation, monitoring, and evaluation activities.*
- 1.3.2.8 *Management acknowledges, however, that although the Committee was functioning, there were lapses in the systematic documentation and filing of records such as meeting minutes, attendance records, and periodic activity reports, which limited the ability to demonstrate evidence during the audit exercise.*

Corrective Actions and Commitments Going Forward:

1. Submission of Existing Evidence:

- 1.3.2.9 *Management will provide documentation for evidence of the existence and functionality of the Budget Committee, including records of committee membership and activities were available.*

2. Improved Documentation and Recordkeeping:

- 1.3.2.10 *Moving forward, Management will ensure that:*
- a. Formal minutes are prepared for all Budget Committee meetings;*
 - b. Attendance records are properly maintained;*
 - c. Periodic Budget Performance Reports and Committee activity reports are compiled, reviewed, and approved.*

3. Scheduled Meetings:

- 1.3.2.11 *The Budget Committee will convene regular meetings in accordance with an approved schedule to monitor revenue and expenditure performance, evaluate budget execution challenges, and propose corrective measures where necessary.*

4. Archiving of Records:

- 1.3.2.12 *All committee-related documentation will be systematically archived, both electronically and in hard copy, to facilitate future audits, management reviews, and effective institutional memory.*

5. Strengthening Budget Oversight:

- 1.3.2.13 *Management will reinforce the role of the Budget Committee in ensuring strict adherence to budgetary allocations, timely preparation of Budget Performance Reports, and proactive financial decision-making.*

- 1.3.2.14 *Management remains committed to full compliance with the Public Financial Management Act and to strengthening internal processes to enhance effective budget formulation, execution, and monitoring. We appreciate the observations raised by the audit team and will continue to take corrective steps to improve governance and financial management practices.*

Auditor General's Position

- 1.3.2.15 Management's assertions did not adequately address the issue raised. The issue raised in our audit finding was relative to non-existence of a budget unit/officer and not a budget committee as asserted in Management's response. Therefore, we maintain our findings and recommendations. We will follow up on the implementation of our recommendations during subsequent audit.

1.3.3 No Evidence of Internal Budget/Detail Budget

Criteria

- 1.3.3.1 Regulation O.1.1&2 of the PFM Act of 2009 as restated in 2019 states "(1) All government agencies shall provide in their annual budgetary estimates, their expected revenue collections and internally generated funds. (2) A head of government agency is personally responsible for ensuring that adequate safeguards exist and are applied for the assessment, collection of and accounting for such revenues and other public moneys relating to their agencies, departments or office".

Observation

- 1.3.3.2 During the audit, we observed no evidence of an annual budget comprehensively cataloging all projected sources of revenue and planned expenditures for the period under review.

Risk

- 1.3.3.3 The completeness and accuracy of revenue and expenditures may not be assured. This may lead to subsequent misstatement of financial statements.

- 1.3.3.4 Management may not fully account for activities/assets of the entity.



- 1.3.3.5 Management may not pursue and collect all projected revenue. Unplanned approved projected expenditures may facilitate misapplication and misappropriation of public funds.

Recommendation

- 1.3.3.6 Management should facilitate the preparation of annual budgets comprehensively cataloging all projected sources of revenue of the entity and planned expenditures. The annual budget should be subsequently approved by the relevant authority (please state titles).
- 1.3.3.7 Evidence of approved annual budgets should be adequately documented and filed to facilitate future review.

Management's response

(Current Management's Response)

- 1.3.3.8 *Management asserts that, contrary to the auditor's assumption, we have evidence of a detailed annual budget that has been utilized in the day-to-day operations of RREA.*

(Former Management's Response)

- 1.3.3.9 *Management respectfully clarifies that, contrary to the audit observation, the Rural and Renewable Energy Agency (RREA) maintains a detailed annual budget which catalogs all projected sources of revenue and planned expenditures for each fiscal year. This budget has been actively used to guide the day-to-day financial and operational activities of the Agency.*
- 1.3.3.10 *The preparation of the annual budget follows an internal process that involves the compilation of expected revenue collections including government subventions and donor support and the identification of anticipated expenditures. Although the budget documents were not readily made available during the audit fieldwork, Management confirms that these documents exist and are available for verification.*
- 1.3.3.11 *Management acknowledges the importance of strengthening documentation practices to ensure that approved budgets and related financial planning documents are systematically archived and accessible for review.*

Corrective Actions and Commitments Going Forward:

1. Submission of Existing Detailed Budgets:

- 1.3.3.12 *Management will organize and submit copies of the detailed annual budgets prepared and utilized during the audit period to facilitate closure of this observation.*

2. Strengthening the Budget Approval Process:

- 1. Management will formalize the approval of annual budgets by ensuring endorsement by the:*
- 2. Executive Director of RREA, and The Board of Directors (where applicable),*
- 3. forwarding for noting or approval to the Sector Ministry (Ministry of Mines and*

Energy) as appropriate.

3. Enhanced Documentation and Filing:

- 1.3.3.13 *All approved annual budgets, including supporting documentation, will be systematically documented and filed both electronically and physically to facilitate easy reference during audits and internal reviews.*

4. Periodic Budget Reviews and Updates:

- 1.3.3.14 *Management will institute regular budget performance reviews throughout the fiscal year to ensure that revenue projections and expenditure targets are consistently monitored and adjusted as necessary.*

5. Alignment with Financial Statements:

- 1.3.3.15 *Management will ensure that the finalized budget is reconciled with the trial balance and financial statements to enhance completeness and accuracy of financial reporting, and to demonstrate transparency and effective stewardship of public funds.*
- 1.3.3.16 *Management remains committed to improving financial governance through comprehensive budget planning, rigorous monitoring, and transparent reporting. We appreciate the audit team's observations and are taking all necessary steps to strengthen internal control measures and safeguard public resources.*

Auditor General's Position

- 1.3.3.17 Management's assertions were not supported by documentary evidence. Management did not submit copies of approved annual internal budgets for the periods under audit as asserted in Management's response. Therefore, we maintain our findings and recommendations. We will follow up on the implementation of our recommendations during subsequent audit.

1.3.4 No Evidence of Quarterly Budget Performance Reports

Criteria

- 1.3.4.1 Regulations A.1 of the PFM Act of 2009 as amended and restated 2019 states that "the public shall be provided with full access to all appropriate information concerning the financial affairs of the Government. This will include, but not limited to, information about the development of annual and supplementary budget estimates, the quarterly fiscal outturn reports issued by the Ministry, the monthly revenue and quarterly budget performance reports of ministries and agencies, state owned enterprises their annual accounts and reports and the Government's annual audited accounts".

Observation

- 1.3.4.2 During the audit, we observed that Management operated the entity without evidence of Quarterly and Annual Budget Performance Reports as required.

Risk

- 1.3.4.3 In the absence of Quarterly and Annual Budget Performance Reports, revenue and expenditure may not be reliably measured. This may lead to under receipt of budgeted



revenue and / or over expenditure.

Recommendation

1.3.4.4 Management should facilitate timely preparation of Quarterly and Annual Budget Performance Reports in line with the PFM Act of 2009.

1.3.4.5 Evidence of Quarterly and Annual Budget Performance Reports should be adequately documented and filed to facilitate future review.

Management's Response

(Current Management's Response)

1.3.4.6 *Management acknowledges the auditor's findings. However, we have been preparing quarterly budget performance reports since December 2024.*

(Former Management's Response)

1.3.4.7 *Management acknowledges and accepts the audit findings regarding the historical absence of evidence of Quarterly and Annual Budget Performance Reports during the audit period for GOL allocation. However, budget performance is prepared monthly for all donor funded projects.*

1.3.4.8 *However, Management respectfully clarifies that beginning December 2024, the Rural and Renewable Energy Agency (RREA) has instituted the regular preparation of Quarterly Budget Performance Reports for GOL. These reports detail revenue collections, expenditure patterns, budget variances, and overall fiscal performance in alignment with the requirements of Regulation A.I of the Public Financial Management (PFM) Act of 2009 as amended and restated in 2019.*

1.3.4.9 *The preparation and circulation of these reports demonstrate Management's commitment to strengthening financial transparency, accountability, and fiscal discipline.*

Corrective Actions and Commitments Going Forward:

Submission of Available Reports:

1.3.4.10 *Management will submit copies of all Quarterly Budget Performance Reports prepared since December 2024 to facilitate closure of this observation.*

Institutionalization of Quarterly and Annual Reporting:

1.3.4.11 *Management will ensure that Quarterly and Annual Budget Performance Reports are consistently prepared, reviewed by Senior Management, and formally submitted to:*

- a. The Ministry of Finance and Development Planning (MFDP)*
- b. The Sector Ministry (Ministry of Mines and Energy)*
- c. Other relevant oversight institutions as required.*

Documentation and Filing:

- 1.3.4.12 *All Budget Performance Reports will be properly documented and filed, both electronically and physically, to facilitate easy retrieval during audits and internal reviews.*

Enhanced Analysis in Reports:

- 1.3.4.13 *Moving forward, Management will strengthen the quality of the reports by incorporating:*
- 1.** *Revenue and expenditure variance analysis*
 - 2.** *Explanation of significant deviations from budget targets*
 - 3.** *Action plans to address identified variances*

Public Access and Transparency:

- 1.3.4.14 *In line with the spirit of Regulation A.I of the PFM Act, Management will explore mechanisms for making summary budget performance information available to the public to enhance financial transparency.*
- 1.3.4.15 *Management is committed to maintaining compliance with the PFM Act and to enhancing budget management processes through the timely preparation, documentation, and dissemination of Quarterly and Annual Budget Performance Reports. We appreciate the audit team's observations and will continue to strengthen internal financial reporting practices.*

Auditor General's Position

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

1.4 Financial Reporting

1.4.1 No Approved Financial Manual

Criteria

- 1.4.1.1 Regulation I. A.5 (1) of the PFM Act of 2009 states "A head of government agency shall with the approval of the Minister issue an accounting manual to suit the operations and regulate the financial matters of the Government agency, indicating:
- A.** The duties to be performed by specified officers,
 - B.** The accounts to be kept and returns to be submitted, and
 - C.** Such other instructions as may be required for the proper conduct of the financial matters of the Government agency.
- 1.4.1.2 Furthermore, Regulation I. A.5 (1) of the PFM Act of 2009 requires the accounting manual shall contain relevant procedures for the keeping of accounts, preparation and format of financial statements, Government agency chart of accounts, and all administrative issues relating to the keeping and preparation of government accounts."

Observation

- 1.4.1.3 During the audit, we observed no evidence of an approved accounting manual to guide the financial management and accounting processes of the entity.

Risk

- 1.4.1.4 In the absence of approved financial manual, financial management and accounting transactions and processes may be performed on a discretionary basis which may be non-compliant with the PFM Act and Regulations.

Recommendation

- 1.4.1.5 Management should develop, approve and operationalize a comprehensive financial manual, outlining all accounting procedures, processes, systems and controls to be used by staff of the entity's Finance Department. The manual should also catalog all processes over initiation, authorization and recording for each account balance and class of transactions. Management should facilitate timely and periodic update of approved financial manual to reflect the current operations of the Finance Department and amendments made to the PFM Acts and Regulations.

- 1.4.1.6 Evidence of approved financial manual should be adequately documented and filed to facilitate future review.

Management's Response

(Current Management's Response)

- 1.4.1.7 *Management states that contrary to the auditor's assumption, we have an approved Financial Manual dated August 2010, which is currently being updated.*

(Former Management's Response)

- 1.4.1.8 *Management respectfully clarifies that, contrary to the audit observation, the Rural and Renewable Energy Agency (RREA) has an approved Financial Manual, which was formally issued in August 2010. This manual provides guidance on the Agency's financial management processes, accounting procedures, duties of financial officers, chart of accounts, and reporting requirements, consistent with the provisions of Regulation I.A.5 (1) of the Public Financial Management (PFM) Act of 2009.*
- 1.4.1.9 *Management acknowledges, however, that the existing manual is currently undergoing a comprehensive update to align it with the operational realities of the Agency, recent amendments to the PFM Act and Regulations, and evolving best practices in financial management.*

Corrective Actions and Commitments Going Forward:

Submission of Existing Financial Manual:

- 1.4.1.10 *Management will submit a copy of the approved 2010 Financial Manual to the Office of the Auditor General as evidence of the existence of a governing document for financial management operations.*

Finalization of the Updated Manual:

- 1.4.1.11 *Management is finalizing the update of the Financial Manual to reflect:*
- a. Revised organizational structures*
 - b. Updated financial management and accounting procedures*
 - c. New regulatory requirements under the amended PFM Act*
 - d. Technological changes such as the integration of electronic financial management systems*
 - e. The updated manual will be submitted to the relevant oversight authorities for review and approval once finalized.*

Training and Implementation:

- 1.4.1.12 *Upon approval of the updated Financial Manual, Management will conduct training sessions for Management staff and other relevant personnel to ensure full understanding and proper implementation of the policies and procedures outlined in the manual.*

Periodic Review and Updating:

- 1.4.1.13 *Management commits to conducting periodic reviews of the Financial Manual (at least once every three years) or as necessitated by regulatory changes to ensure its continued relevance and effectiveness.*

Proper Filing and Accessibility:

- 1.4.1.14 *The approved manual, including future versions, will be adequately documented, filed, and made accessible to all relevant staff to facilitate compliance and to support audit and management reviews.*
- 1.4.1.15 *Management remains committed to ensuring that financial management processes at RREA are transparent, accountable, and compliant with applicable laws and regulations. We appreciate the audit team's observations and are taking proactive steps to strengthen financial governance within the Agency.*

Auditor General's Position

- 1.4.1.16 We acknowledge Management's assertions. However, evidence of the approved August 2010 accounting manual as asserted in Management's response was not made available for audit purposes. Therefore, we maintain our findings and recommendations. We will follow up on the implementation of our recommendations during subsequent audit.

1.4.2 No Automated Financial Management System/ Accounting Software

Criteria

- 1.4.2.1 Regulation I. A.5 (1) of the PFM Act of 2009 as amended and restated 2019 states "A head of government agency shall with the approval of the Minister issue an accounting manual to suit the operations and regulate the financial matters of the Government agency, indicating:
- A.** The duties to be performed by specified officers,



- B. The accounts to be kept and returns to be submitted, and
- C. Such other instructions as may be required for the proper conduct of the financial matters of the Government agency.

1.4.2.2 Furthermore, Regulation I. A.5 (1) of the PFM Act of 2009 as amended and restated 2019 requires the accounting manual shall contain relevant procedures for the keeping of accounts, preparation, and format of financial statements, Government agency chart of accounts, and all administrative issues relating to the keeping and preparation of government accounts."

Observation

1.4.2.3 During the audit, we observed no evidence of an automated financial management system or an accounting software to facilitate comprehensive, real-time, and accurate recording of financial transactions of GoL funds for the periods under review.

Risk

1.4.2.4 The completeness and accuracy of accounting transactions may not be assured. This may lead to misstatement of financial statements of the entity.

1.4.2.5 Accounting data security, integrity, completeness and accuracy may be impaired.

1.4.2.6 Management may not account for all of its transactions.

Recommendation

1.4.2.7 Management should procure and operationalize a functional accounting software to facilitate complete, accurate and real-time recording of all financial transactions of the Agency.

1.4.2.8 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. Going forward, an automated linkage should be created between the general ledger, trial balance and the financial statements to facilitate completeness and accuracy of the financial statements.

1.4.2.9 Management should also facilitate the operationalization of the electronic document management system by ensuring all relevant source and supporting documents for transactions are scanned, attached to the transactions in the accounting software, archived and maintained to facilitate future review.

Management's Response

(Current Management's Response)

1.4.2.10 *Management states that contrary to the auditor's assumption, we have an automated Financial Management System/ Accounting Software (QuickBooks) to accurately record financial transactions.*



(Former Management's Response)

- 1.4.2.11 Management respectfully clarifies that, contrary to the audit observation, the Rural and Renewable Energy Agency (RREA) utilizes an automated Financial Management System, specifically QuickBooks, to record and manage its financial transactions. This system facilitates comprehensive, real-time, and accurate recording of financial activities related to both operational and project funds.
- 1.4.2.12 Management acknowledges, however, that the current QuickBooks system is not yet integrated with the Government of Liberia's Integrated Financial Management Information System (IFMIS). This lack of integration may have contributed to the perception that an automated system was not in use.
- 1.4.2.13 Management agrees that further enhancements are needed to ensure full alignment with government-wide financial reporting frameworks and acknowledges the importance of integration for improving financial reporting consistency, security, and control.

Corrective Actions and Commitments Going Forward:

1. Submission of Evidence of Current Accounting System:

- 1.4.2.14 Management will submit evidence demonstrating the use of QuickBooks for recording and managing financial transactions, including system reports and configuration details, to the Office of the Auditor General for verification.

2. Integration with GOL IFMIS System:

- 1.4.2.15 Management is committed to working closely with the Ministry of Finance and Development Planning (MFDP) to explore the integration of RREA's financial management system with the Government's IFMIS platform. This will enhance transparency, real-time data sharing, and regulatory compliance.

3. Enhancement of Automated Controls:

- 1.4.2.16 Management will strengthen internal controls within the QuickBooks system by:
- a. Ensuring that all transactions posted by junior staff are reviewed and approved electronically by designated senior finance officers before posting to the general ledger.
 - b. Establishing audit trails for all entries to maintain accountability.

5. Linkage Between Financial Records:

- 1.4.2.17 Management will implement internal procedures to ensure that entries in the general ledger automatically generate accurate trial balances and financial statements, enhancing the completeness and reliability of financial reporting.

6. Document Management and Archiving:

- 1.4.2.18 Management will facilitate the operationalization of an electronic document management system, ensuring that all supporting documents (contracts, invoices, vouchers, etc.) are scanned, electronically attached to corresponding QuickBooks transactions, securely



archived, and maintained for future reference.

- 1.4.2.19 *Management remains committed to strengthening financial systems, ensuring accurate and transparent financial reporting, and enhancing compliance with the Public Financial Management Act. We appreciate the observations of the audit team and will continue to upgrade our financial management practices to meet international best standards.*

Auditor General's Position

- 1.4.2.20 Management did not adequately address the issue raised. We observed that the QuickBooks was not operationalized for the processing of GoL transactions during the periods under audit. The QuickBooks was only utilized for the processing of donors' projects transactions during the periods under audit. Therefore, we maintain our finding and recommendations. We will follow up on the implementation of our recommendations during subsequent audit.

1.4.3 Non-Preparation and Submission of Financial Statements

Criteria

- 1.4.3.1 Part 1.3.4 of the International Public Sector Accounting Standards (IPSAS) Cash Basis of Accounting (November 2017) states: "An entity shall prepare and present financial statements which include the following components:
- a) Statement of cash receipts and payments which recognizes all cash receipts, cash payments and cash balances controlled by the entity
 - b) Accounting policies and explanatory notes; and
 - c) When the entity makes publicly available it's approved budget, a comparison of budget and actual amounts either as a separate additional financial statement or as a budget and actual column in the statement of cash receipt and payments in accordance with paragraph 1.7.8 of this Standard".

Observation

- 1.4.3.2 During the audit, we observed no evidence that Management prepared and submitted IPSAS cash basis financial statements as adopted by the Government of Liberia for the periods under audit.

Risk

- 1.4.3.3 Failure of Management to prepare and present approved financial statements may deny stakeholders information relevant for decision making.
- 1.4.3.4 Management may not fully account for activities of the entity.

Recommendation

- 1.4.3.5 Management should prepare, approve and present IPSAS Cash Basis Financial Statements in line with the GoL reporting framework for the entity.



1.4.3.6 Going forward, Management should ensure that approved Financial Statements are presented to the Offices of the Auditor General and Comptroller & Accountant General two months after the end of the fiscal period in line with the PFM Act.

1.4.3.7 All approved periodic (Quarterly and Annual) financial statements should be adequately documented and filed to facilitate future review.

***Management's Response
(Current Management's Response)***

1.4.3.8 *Management acknowledges the auditor's findings. However, we have been preparing and submitting financial statements to the Ministry of Finance and Development Planning since December 2023. These reports were provided to the auditors during the audit.*

(Former Management's Response)

1.4.3.9 *Management acknowledges the auditor's findings regarding the non-preparation and non-submission of financial statements for certain periods under review. However, IFRS are prepared quarterly for all donor funded projects.*

1.4.3.10 *However, Management respectfully clarifies that, beginning December 2023, the Rural and Renewable Energy Agency (RREA) has been consistently preparing and submitting financial statements in compliance with the International Public Sector Accounting Standards (IPSAS) Cash Basis of Accounting, as adopted by the Government of Liberia.*

1.4.3.11 *These financial statements, which include the statement of cash receipts and payments, accounting policies, explanatory notes, and budget-to-actual comparisons, have been formally submitted to the Ministry of Finance and Development Planning (MFDP). Copies of these reports were also made available to the audit team during the course of the audit exercise.*

1.4.3.12 *Management recognizes the importance of timely financial reporting in enhancing transparency, accountability, and facilitating informed decision-making by stakeholders.*

Corrective Actions and Commitments Going Forward:

1. Continuous Preparation and Submission of Financial Statements:

1.4.3.13 *Management will continue to prepare and submit Quarterly and Annual Financial Statements in accordance with IPSAS Cash Basis standards and the GOL reporting framework.*

2. Adherence to Statutory Deadlines:

1.4.3.14 *Management will ensure that approved financial statements are submitted to:*

- 1. The Office of the Auditor General***
- 2. The Comptroller and Accountant General within two months after the end of each fiscal period, as required by the Public Financial Management (PFM) Act.***



3. Strengthening Documentation and Filing:

- 1.4.3.15 *All approved financial statements, along with related supporting documentation, will be systematically archived both electronically and physically to facilitate ease of access for audits and internal reviews.*

4. Capacity Building:

- 1.4.3.16 *Management will prioritize periodic training and refresher workshops for the finance team to enhance their proficiency in IPSAS reporting standards and ensure continuous compliance with evolving financial reporting requirements.*

5. Enhancement of Internal Review Mechanisms:

- 1.4.3.17 *Internal controls and review processes will be strengthened to ensure that financial statements are prepared accurately, reviewed thoroughly, approved timely, and filed appropriately.*
- 1.4.3.18 *Management remains committed to upholding best practices in financial reporting, ensuring compliance with IPSAS Cash Basis standards, and strengthening accountability and transparency in financial management at RREA. We appreciate the audit team's observations and will continue to enhance the quality and timeliness of financial reporting going forward.*

Auditor General's Position

- 1.4.3.19 Management assertions were not supported by documentary evidence. Management did not submit copies of annual financial statements for the periods under audit as asserted in Management's response. Therefore, we maintain our finding and recommendations. We will follow up on the implementation of our recommendations during subsequent audit.

1.4.4 Discrepancy between the IFMIS Ledgers and Fiscal Outturn Reports (MFDP)

Criteria

- 1.4.4.1 Regulation C. 8 (2) of the PFM Act of 2009 as amended and restated 2019 stipulates that "the head of agency or spending unit shall have overall responsibility and accountability for the collection and receipt of all subsidies 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".
- 1.4.4.2 Furthermore, Regulation E.1 (a) and (b) of the PFM Act of 2009 as amended and restated 2019 state that:
- a) "Total aggregate allotments for a particular appropriation line in a given fiscal year may not exceed the amount appropriated for that line in the annual appropriations act, amended from time to time through budgetary reallocations made pursuant to Section 25 of the Public Finance Management Act 2009 and Supplementary Appropriations Acts;



- b) Total payments for a detailed budget line in a given fiscal year may not exceed the allotments issued against that budget line”.

Observation

- 1.4.4.3 During the audit, we observed that the actual expenditure per the entity’s financial records in the IFMIS Ledgers did not reconcile with the fiscal outturn reports generated by the MFDP. **See table 4 below for details:**

Table 4: Variance between the IFMIS Ledger and Fiscal Outturn Report in the National Budget for the periods under audit (2018-2023)

Fiscal Period	IFMIS Ledger US\$	Fiscal Outturn US\$	Variance US\$
2018/2019	250,034.29	321,807.00	(71,772.71)
2019/2020	123,673.00	189,038.00	(65,365.00)
2020/2021	250,082.83	278,812.00	(28,729.17)
July – Dec 2021	1,776,775.31	1,813,660.00	(36,884.69)
2022	1,025,969.98	650,957.00	375,012.98
2023	1,337,824.80	1,857,404.00	(519,579.20)
Total	4,764,360.21	5,111,678.00	(347,317.79)

Risk

- 1.4.4.4 The completeness and accuracy of revenue and expenditures may not be assured. Therefore, the financial statements may be misstated.
- 1.4.4.5 Revenue and expenditures may be misstated.

Recommendation

- 1.4.4.6 Management should fully account for the variances between the IFMIS ledger and the fiscal outturn reports, as part of Management’s response to this Management Letter.
- 1.4.4.7 Going forward, Management should perform/conduct periodic reconciliation between the fiscal outturn reports and the IFMIS ledger. Variances identified should be investigated and adjusted where applicable in a timely manner. Evidence of periodic reconciliation reports should be adequately documented and filed to facilitate future review.

Management’s Response

(Current Management’s Response)

- 1.4.4.8 *During the audit period, management did not utilize the IFMIS system, and the IFMIS ledgers mentioned in the audit report were not provided to the auditors. Therefore, we direct the GAC to consult the MFDP to clarify the discrepancies between the IFMIS ledger and the fiscal outturn report.*

(Former Management’s Response)

- 1.4.4.9 *Management respectfully clarifies that during the audit period under review, the Rural and Renewable Energy Agency (RREA) did not directly utilize or operate the Integrated*



Financial Management Information System (IFMIS) platform. The maintenance, control, and operation of the IFMIS system were exclusively managed by the Ministry of Finance and Development Planning (MFDP) on behalf of government ministries and agencies, including RREA.

- 1.4.4.10 *Accordingly, the IFMIS ledgers referenced in the audit report were not generated or provided by RREA, nor were they directly accessible to RREA's financial management team. As such, Management was able to communicate with the Ministry of Finance, and there is a huge discrepancy in the BUDGET ANALYSIS BETWEEN 2018-2023 reported by the auditor. Please see Exhibit 1.4.4*
- 1.4.4.11 *Given this context, Management respectfully directs and encourages the General Auditing Commission (GAC) to liaise directly with the Ministry of Finance and Development Planning (MFDP) to obtain clarification and reconciliation details regarding the variances reported between the IFMIS Ledger and the Fiscal Outturn Reports.*

Corrective Actions and Commitments Going Forward:

1. Liaison with MFDP for Reconciliation:

- 1.4.4.12 *Management will formally engage with the MFDP to request periodic reconciliations and validation of financial records maintained on the IFMIS system to ensure alignment with RREA's internal financial records.*

2. Strengthening Monitoring of IFMIS Records:

- 1.4.4.13 *Although RREA does not operate IFMIS directly, Management will put in place mechanisms to:*
- a. Regularly request and review reports generated from the IFMIS system relating to RREA's operations;*
 - b. Compare these reports with RREA's internally maintained records to detect and address any variances timely.*

4. Enhancing Internal Documentation:

- 1.4.4.14 *Management will ensure that evidence of correspondence with MFDP, reconciliation reports, and supporting documentation regarding IFMIS records are adequately maintained to support future audits and financial reviews.*

5. Advocacy for Access to IFMIS:

- 1.4.4.15 *Management will advocate for partial user access or reporting rights to the IFMIS system to enhance oversight, facilitate real-time monitoring of transactions, and strengthen overall financial management practices.*
- 1.4.4.16 *Management remains committed to promoting transparency, accountability, and collaboration with oversight entities to ensure the completeness and accuracy of financial records. We appreciate the observations made by the audit team and are taking proactive steps to improve coordination with MFDP and strengthen financial reporting processes.*



Auditor General's Position

1.4.4.17 Management did not adequately address the issue raised. Management should have periodically performed a reconciliation between the IFMIS ledgers and the Fiscal Outturn reports and update the MFDP on variances identified for onward adjustments where applicable. Therefore, we maintain our finding and recommendations. We will follow up on the implementation of our recommendation during subsequent audit.

1.5 Cash Management

1.5.1 Irregularities Associated with Bank Reconciliations

Criteria

1.5.1.1 Section II R3 (6) of the Public Finance Management Regulation of 2009 requires that the balance of every bank account as shown in a bank statement be reconciled with the corresponding cash book balance at least once every month; and the reconciliation statement shall be filed or recorded in the cash book or the reference to the date and number thereof.

1.5.1.2 Additionally, COSO Internal Control Framework on Internal Control requires that organizations put in place Control activities that will help the entity achieve its objectives and spell out the necessary actions taken to address risks affecting such achievement. Control activities occur throughout the organization, at all levels and functions. They include a range of activities as diverse as approvals, authorizations, verifications, reconciliations, reviews of operating performance, security of assets, and segregation of duties.

Observation

1.5.1.3 During the audit, we observed the following irregularities associated with the preparation of bank reconciliations at the entity:

- Some bank reconciliation statements were not accompanied by their requisite supporting documentation including cash books and bank statements for several months.
- Several bank reconciliation statements were signed by the preparer and reviewer without evidence of their name and signature specimen. We could not ascertain the actual preparer and reviewer due to the lack of name and signature specimens.

1.5.1.4 Furthermore, we observed that Management did not prepare bank reconciliations for one (1) account of the Four (4) bank accounts maintained for the periods under review. **See Table 5 below for Details.**

Table 5: Summary of Month(s) Bank Reconciliations not prepared

No(s)	Fiscal Period	Description/ Bank Accounts	Account Number	Number of month(s)
1	2018/2019	CBL-USD-RREA-Operating Account	0220630008200	Seven (Jul, Aug, Sept, Oct, Nov, Dec & Jan

No(s)	Fiscal Period	Description/ Bank Accounts	Account Number	Number of month(s)
2	2020/2021	CBL-USD-RREA-Operating Account	0220630008200	Twelve Months
3	2021(Jul-Dec)	CBL-USD-RREA-Operating Account	0220630008200	Six Months
4	2022	CBL-USD-RREA-Operating Account	0220630008200	Twelve Months
5	2023	CBL-USD-RREA-Operating Account	0220630008200	Twelve Months

Risk

- 1.5.1.5 The absence of supporting documents such as cash books and bank statements may impair effective review of bank reconciliation statements.
- 1.5.1.6 The lack of signature of the individuals responsible for the preparation and approval of the bank reconciliation statements may make it difficult to determine the level of experience and seniority of the preparer and approver.
- 1.5.1.7 In the absence of the signatures and positions of the preparer and reviewer, segregation of duties and check and balances may not be assured.
- 1.5.1.8 Failure to prepare bank reconciliation statements may lead to untimely detection of errors or omissions and fraud.
- 1.5.1.9 Management may not fully account for all of its transactions.

Recommendation

- 1.5.1.10 Management should ensure that bank reconciliations are prepared monthly. The signatures and positions of the preparer and reviewer as well as the dates of preparation and review should be included on the bank reconciliation statements.
- 1.5.1.11 Management should ensure that monthly bank reconciliation reports are prepared for each operational and designated account established by the entity. All bank reconciliation statements should be accompanied by their corresponding copies of cash books and bank statements.
- 1.5.1.12 Evidence of monthly bank reconciliation reports should be adequately documented and filed to facilitate future review.

**Management's Response
(Current Management's Response)**

- 1.5.1.13 *Management asserts that, contrary to the auditor's assumption, bank reconciliation statements are prepared and accompanied by the necessary supporting documentation, with evidence available on file for verification.*



(Former Management's Response)

- 1.5.1.14 *Management acknowledges the audit findings concerning certain irregularities associated with the preparation and documentation of bank reconciliation statements during the audit period.*
- 1.5.1.15 *Management respectfully clarifies that while there may have been isolated instances of documentation lapses, bank reconciliation statements were regularly prepared for the operational and designated bank accounts maintained by the Rural and Renewable Energy Agency (RREA). These reconciliations were generally accompanied by supporting documentation, including cash book records and corresponding bank statements.*
- 1.5.1.16 *Evidence of these reconciliations and related supporting documents is available on file and can be made accessible for audit verification. Management further acknowledges the importance of maintaining consistently documented reconciliations that include proper identification of the preparer and reviewer, including their signatures and official titles.*

Corrective Actions and Commitments Going Forward:

1. Submission of Supporting Documents:

- 1.5.1.17 *Management will organize and submit all available bank reconciliations and supporting documents for the periods under audit to facilitate closure of this observation.*

2. Enhanced Reconciliation Procedures:

- 1.5.1.18 *Going forward, Management will strengthen the bank reconciliation process by ensuring that:*
- a. Reconciliations are prepared monthly for each operational and designated account without exception.*
 - b. Each bank reconciliation statement is accompanied by the corresponding cash book and official bank statement.*

3. Clear Identification of Preparer and Reviewer:

- 1.5.1.19 *Management will ensure that all reconciliation statements clearly show:*
- a. The name, title, and signature of the preparer.*
 - b. The name, title, and signature of the reviewer.*
 - c. The dates of preparation and review.*

4. Segregation of Duties and Accountability:

- 1.5.1.20 *A clear segregation of duties will be enforced between the preparer and reviewer to enhance internal control, ensure accountability, and minimize the risk of undetected errors or fraud.*

5. Periodic Review and Filing:

- 1.5.1.21 *Management will establish a schedule for monthly internal reviews of bank reconciliation activities and ensure that all reconciliations and supporting documents are systematically*

filed both electronically and physically for future audits and management inspections.

- 1.5.1.22 *Management remains committed to improving financial control systems, ensuring the timely preparation and proper documentation of bank reconciliation statements, and adhering strictly to the requirements of the Public Financial Management Act and recognized internal control frameworks such as COSO. We appreciate the observations raised by the audit team and are implementing measures to strengthen our financial reporting environment.*

Auditor General's Position

- 1.5.1.23 Management's assertions did not adequately address the issues raised. Management did not submit copies of bank reconciliations statements for CBL-USD-RREA-Operating Account for the periods under audit as indicated in our findings. Copies of cashbooks and other relevant records for several monthly bank reconciliation statements were also not made available for audit purposes. Therefore, we maintain our findings and recommendations. We will follow up on the implementation of our recommendations during subsequent audit.

1.6 Inventory Management

1.6.1 Irregularities Associated with Inventory Management

Criteria

- 1.6.1.1 Regulation U.7 (2) of the PFM Act of 2009 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

- 1.6.1.2 During the audit, we observed the following irregularities associated with the inventory management system:
- No evidence of approved policy to regulate inventory management of the Agency.
 - Inventories were not systematically arranged on shelves and comprehensively labeled.
 - Several instances of spoilage of inventories were reported.
 - No evidence of a 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.
 - No evidence of periodic physical verification of inventories/stock take.

Risk

- 1.6.1.3 Inventory may be susceptible to damage or misappropriation if stored in an inappropriate environment.
- 1.6.1.4 Inventory may not be duly accounted for in the absence of a comprehensive inventory management system and non-performance of periodic physical verification.
- 1.6.1.5 Inventory may be misappropriated leading to decline in operational activities.

Recommendation

- 1.6.1.6 Management should operationalize the approved inventory management policy to regulate inventory management of the entity. The policy should be updated to comprehensively catalog provisions for ordering, storing, distributing and recording of inventories/ stationery & supplies and the nature and timing of stock-take/ physical verification of inventories/ stationery and supplies.
- 1.6.1.7 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.
- 1.6.1.8 Inventory should be stored in secured custody/warehouse protected by a metallic door and access granted only to authorized personnel at all times.
- 1.6.1.9 Inventory should be systematically arranged on shelves, comprehensively and systematically labelled to facilitate effective monitoring, evaluation and recording of inventories.
- 1.6.1.10 Management should perform periodic physical verification of inventory and review of systems and records. Appropriate adjustments should be made where applicable.
- 1.6.1.11 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 Response
(Former Management's Response)**

- 1.6.1.12 *Management respectfully clarifies that, contrary to the audit observation, the Rural and Renewable Energy Agency (RREA) has an inventory management policy embedded within its Standard Operating Procedures (SOP) Manual. This policy provides guidance on management, ordering, storage, issuance, and control of inventory, including stationery, supplies, and other relevant assets.*
- 1.6.1.13 *Management further notes that while the inventory management policy exists, the SOP Manual is currently under review and being updated to enhance its comprehensiveness and ensure alignment with best practices and recent operational realities.*



Corrective Actions and Commitments Going Forward:

a. Submission of Current Inventory Policy:

- 1.6.1.14 Management has relevant sections of the SOP Manual that detail the inventory management policy for verification by the Office of the Auditor General.

b. Finalization and Operationalization of the Updated Policy:

- 1.6.1.15 Management will complete the ongoing review and update of the inventory management policy to ensure that it comprehensively addresses:
- a. Procedures for ordering, receiving, storing, and distributing inventory.
 - b. Stock tracking, reordering levels, and stock-out protocols.
 - c. Timelines and procedures for periodic stock-taking and physical verification.

c. Implementation of an Automated Inventory Management System:

- 1.6.1.16 Management plans to develop and implement an automated inventory tracking system to ensure real-time recording and monitoring of inventory movements, including:
- a. Purchases;
 - b. Distributions;
 - c. Current stock balances;
 - d. Minimum and reorder levels.

d. Improvement of Storage Conditions and Security:

- 1.6.1.17 Engagement will enhance inventory storage facilities by:
- a. Ensuring inventories are arranged systematically on shelves;
 - b. Properly labeling items for easy identification and monitoring;
 - c. Securing storage areas with metallic doors and granting access strictly to authorized personnel.

Periodic Physical Verification:

- 1.6.1.18 Management will institute a schedule for periodic physical stock counts, and the results will be reconciled with inventory records. Any variances identified will be promptly investigated and resolved.

Documentation and Filing:

- 1.6.1.19 All inventory records, including requisition forms, issuance vouchers, stock cards, and periodic stock take reports, will be properly documented, reviewed, approved, and archived for ease of audit and internal reviews.
- 1.6.1.20 Management remains committed to strengthening inventory management practices, enhancing internal controls, and ensuring compliance with the Public Financial Management Act and internal policies. We appreciate the audit team's observations and are taking decisive steps to address the identified gaps and to safeguard public assets.

Auditor General's Position

- 1.6.1.21 Management assertions did not adequately address the issues raised. We observed no evidence of approval of the financial manual presented for audit purposes. Also, we observed no evidence of a manual or automated inventory management system. Management also provided no response to other discrepancies associated with the inventory management systems reported in our findings. Therefore, we maintain our findings and recommendations. We will follow up on the implementation of our recommendation during subsequent audit.

1.7 Procurement Management

1.7.1 Irregularities Associated with Procurement Management

Criteria

- 1.7.1.1 Section 30 (1 and 2) of the Public Procurement and Concessions Act of 2005 as amended and restated in 2010 states: "(1) Each Procurement Committee shall constitute a Bid Evaluation Panel with the required expertise as and when required to evaluate bids solicited by the Procuring Entity. (2) A Bid Evaluation Panel shall be responsible for the evaluation of bids in accordance with the predetermined and Published evaluation criteria as outlined to bidders in the bid documents in accordance with this Act and shall prepare and submit evaluation reports and recommendations for award for the consideration of the Procurement Committee or the Head of the Procuring Entity as provided in the Schedule".
- 1.7.1.2 Section 32 (1, 2 and 3) of the Public Procurement and Concessions Act of 2005 as amended and restated in 2010 states: (1) "In order to participate in procurement proceedings, a bidder must qualify by meeting the criteria set by the Procuring Entity, which will normally include evidence of: (a) Professional and technical qualifications; (b) Equipment availability, where applicable; (c) Past performance; (d) After-sales service, where applicable; (e) Spare parts availability; (f) Legal capacity; (g) Financial resources and condition; and (h) Verification by the internal revenue authority of payment of taxes and social security contributions when due. (2) The qualification criteria set forth in subsection (1) of this Section shall be applied by examining, through investigation and collaboration with other relevant agencies, to ascertain whether or not the bidder meets the minimum qualification criteria established for the bid and not by using a point system for comparing the relative level of qualifications of participating bidders. (3) The Procuring Entity shall be entitled to demand qualification documentation from potential bidders in formal prequalification proceedings, or as a required component of a bid submission".

Observation

- 1.7.1.3 During the audit, we observed the following irregularities associated with the procurement system:
- There was no functional procurement committee evidence by the absence of meeting minutes and periodic reports.



- There was no evidence of annual procurement plan approved by PPCC for some fiscal years (FY).
- There was no evidence of periodic (quarterly and annual) procurement activities report submitted to the PPCC.
- No evidence of application of the requisite methods (Request for quotation, national competitive bidding, sole sourcing, restricted bidding, international competitive bidding, etc.) where applicable.

Risk

- 1.7.1.4 In the absence of a functional procurement committee, the entity's procurement processes may be discretionary.
- 1.7.1.5 The lack of an approved Procurement Plan may lead to discretionary expenditure, waste and impair value for money.
- 1.7.1.6 In the absence of quarterly and annual procurement activities reports, Management may be in noncompliance with the PPC Act of 2005 as amended and restated in 2010.
- 1.7.1.7 Management may not adequately account for its procurement activities and impair effective monitoring of its procurement activities by the PPCC.
- 1.7.1.8 The non-application of the requisite procurement method may impair the achievement of value for money and facilitate fraudulent procurement activities.

Recommendation

- 1.7.1.9 Management should establish a functional procurement committee evidenced by the documentation of meeting minutes and periodic reports.
- 1.7.1.10 Management should facilitate the approval of annual procurement plan by PPCC. All unplanned procurement activities should be subsequently submitted to the PPCC for approval before execution.
- 1.7.1.11 Management should facilitate the preparation and submission of quarterly and annual procurement activities reports to the PPCC as required by the PPC Act of 2005 as amended and restated in 2010.
- 1.7.1.12 Management should ensure that the requisite procurement methods are utilized for all procurement transactions to achieve value for money and ensure compliance to the PPC Act of 2005 as amended and restated in 2010.
- 1.7.1.13 Evidence of approved annual procurement plan, quarterly and annual procurement activities reports, and all relevant supporting procurement records should be adequately documented and filed to facilitate future review.

Management's Response
(Current Management's Response)

- 1.7.1.14 *Management states that contrary to the auditor's assumption, there exists a functional procurement committee for period.*
- 1.7.1.15 *There was an approved procurement plan from 2018/2019, 2020/2021, 2021/2022, 2022 and 2023 except for the year 2019/2020 due to the lack of budgetary allocation.*
- 1.7.1.16 *Management states that contrary to the auditor's assumption, there exists an evaluation report as per section 30 of the PPC Act.*
- 1.7.1.17 *Management acknowledged that there exists a lack of annual or quarterly procurement reports for the period 2018 to 2021, but Management also confirmed that there exist reports for 2022 to 2023.*
- 1.7.1.18 *Management states that contrary to the auditor's assumption that there is no evidence of the requisite methods (Request for Quotation, National Competitive bidding, sole sourcing, restricted bidding, etc.). As per section 40 of the PPCA with those activities on the Approved Procurement Plan, Management strictly adhered to all necessary procurement procedures.*

(Former Management's Response)

- 1.7.1.19 *Management respectfully clarifies that, contrary to the audit observations, the Rural and Renewable Energy Agency (RREA) maintained a functional Procurement Committee throughout the period under review. The Committee was operational and carried out its mandate in line with the requirements of the Public Procurement and Concessions Act (PPCA) of 2005, as amended and restated in 2010. Evidence of the Committee's activities, including meeting records and procurement deliberations, is available for verification.*
- 1.7.1.20 *Additionally, Management confirms that approved Procurement Plans were prepared and submitted for the fiscal years 2018/2019, 2020/2021, 2021/2022, 2022, and 2023. The absence of a procurement plan for the 2019/2020 fiscal year was due to the lack of a budgetary allocation during that period, which made procurement planning impracticable.*
- 1.7.1.21 *Management acknowledges that there were gaps in the preparation and submission of Quarterly and Annual Procurement Activity Reports for the fiscal years 2018 to 2021. However, beginning from fiscal year 2022 onward, Management has consistently prepared and submitted procurement activity reports to the Public Procurement and Concessions Commission (PPCC) in compliance with the statutory requirements.*
- 1.7.1.22 *Sourcing, Restricted Bidding, etc.). Supporting documentation evidencing compliance is available and can be made available for verification.*
- 1.7.1.23 *Regarding the application of procurement methods, Management states that, as per Section 40 of the PPCA, all procurement activities listed in the approved procurement plans*



were strictly conducted using the requisite procurement methods (such as Request for Quotation, National Competitive Bidding, Sole

Corrective Actions and Commitments Going Forward:

Strengthening Documentation Practices:

- 1.7.1.24 *Management has in place systematic documentation of Procurement Committee.*

Timely Preparation and Approval of Procurement Plans:

- 1.7.1.25 *Management has in place procurement plans that are:*
- a. Prepared timely;*
 - b. Formally approved by the relevant authorities, including the PPCC;*
 - c. Properly documented and archived.*

Consistent Reporting to the PPCC:

- 1.7.1.26 *Management will institutionalize the quarterly and annual reporting of procurement activities to the PPCC to maintain compliance and enhance oversight.*

Strict Adherence to Procurement Methods:

- 1.7.1.27 *Management will continue to apply the appropriate procurement methods in accordance with the thresholds and guidelines established under the PPCA and will document all procurement actions comprehensively as always.*

Capacity Building and Compliance Monitoring:

- 1.7.1.28 *Management will organize periodic training for Procurement Unit staff and strengthen internal compliance monitoring mechanisms to ensure full adherence to procurement laws and best practices.*

- 1.7.1.29 *Management reaffirms its commitment to strengthening procurement governance, ensuring full compliance with the Public Procurement and Concessions Act, and enhancing transparency, accountability, and value for money in all procurement activities. We appreciate the observations of the audit team and remain committed to continuous improvement in procurement practices.*

Auditor General's Position

- 1.7.1.30 *Management's assertions were not supported by documentary evidence. Copies of procurement committee meeting minutes and periodic reports, approved annual procurement plans, periodic procurement activities reports and other relevant procurement records were not made available for audit purposes as asserted in Management's response. Therefore, we maintain our findings and recommendations. We will follow up on the implementation of our recommendations during subsequent audit.*

1.7.2 Irregularities Associated with Street Light Project Procurement

Criteria

1.7.2.1 Section 30 (1 and 2) of the Public Procurement and Concessions Act of 2005 as amended and restated in 2010 states: "(1) Each Procurement Committee shall constitute a Bid Evaluation Panel with the required expertise as and when required to evaluate bids solicited by the Procuring Entity. (2) A Bid Evaluation Panel shall be responsible for the evaluation of bids in accordance with the predetermined and Published evaluation criteria as outlined to bidders in the bid documents in accordance with this Act and shall prepare and submit evaluation reports and recommendations for award for the consideration of the Procurement Committee or the Head of the Procuring Entity as provided in the Schedule".

1.7.2.2 Section 32 (1, 2 and 3) of the Public Procurement and Concessions Act of 2005 as amended and restated in 2010 states: (1) "In order to participate in procurement proceedings, a bidder must qualify by meeting the criteria set by the Procuring Entity, which will normally include evidence of: (a) Professional and technical qualifications; (b) Equipment availability, where applicable; (c) Past performance; (d) After-sales service, where applicable; (e) Spare parts availability; (f) Legal capacity; (g) Financial resources and condition; and (h) Verification by the internal revenue authority of payment of taxes and social security contributions when due. (2) The qualification criteria set forth in subsection (1) of this Section shall be applied by examining, through investigation and collaboration with other relevant agencies, to ascertain whether or not the bidder meets the minimum qualification criteria established for the bid and not by using a point system for comparing the relative level of qualifications of participating bidders. (3) The Procuring Entity shall be entitled to demand qualification documentation from potential bidders in formal prequalification proceedings, or as a required component of a bid submission".

Observation

1.7.2.3 During the audit, we observed that Management split the procurement for the supply of streets lights project budgeted at US\$3,500,000.00 between Asian Liberia Investment and Quality Group of Companies. Both Asian Liberia Investment and Quality Group of Companies were awarded contract amounting to US\$1,499,998.00 and US\$1,990,876.49 respectively for the supply and installation of solar panel street lights.

1.7.2.4 However, we observed the following irregularities associated with the award of the contracts:

1.7.3 Procurement Irregularities Associated with both Asian Liberia Investment and Quality Group of Companies:

- Management utilized the inappropriate procurement method for the execution of the project (National Competitive Bidding (NCB) instead of International Competitive Bidding based on the contract amount being above the threshold of NCB)
- No evidence of bids being published



- There was no evidence that the Bid Proposals from bidders Asian Liberia Investment Limited and Quality Group of Construction Companies were evaluated by the evaluation committee.
- There was no evidence that the evaluation committee assessed the certification of completion from the past services performed for other entities as evidence of experience in such a project.
- No evidence of committee members' individual evaluation score cards evaluation to establish that the scores report represented each member.
- There was no evidence that the Procurement Committee met to assessed the outcome of the evaluation panel report and recommendation before awarding the contract to bidders Asian Liberia Investment Limited and Quality Group of Construction Companies.
- No evidence of Monitoring & Evaluation (M&E) report of the project.
- No evidence of Bidder's tax clearance and business registration certificates
- No evidence of bidder's technical and financial proposal
- No evidence of bid security
- No evidence that bidder provided power of Attorney Authorizing Signatory to the bid

1.7.4 Procurement Irregularities Associated with Go Solar Liberia Incorporated:

1.7.4.1 Additionally, during our review of the procurement proceedings for the contracts awarded to Go Solar for the supply and installation of solar lights in fiscal year 2023 amounting to US\$798,705.60, we observed the following irregularities:

- No evidence of invitation to bid being published
- No evidence of bid registration sheet, bid opening and closing meeting minutes and bid attendance sheet.
- The date the bid proposal was opened could not be ascertained due to lack of bid document.
- No evidence of bid package; as a result, we could not ascertain whether bidders had access to detail information relative to the procurement of bid packages
- No evidence of monitoring and evaluation (M&E) or assessment report
- No evidence of past performance work

1.7.5 Sole Sourcing of Building Materials Center (BMC) Group and Maty Incorporated:

1.7.5.1 Furthermore, we observed that Building Material Center (BMC) Group was sole source for three separate contracts. Two separates contracts entered into on October 13, 2021 and January 3, 2023 respectively for Supply and Installation of Decra Zinc at the President's residence at Jamaica Resort for US\$60,000.00 and US\$170,000.00 respectively (totaling US\$230,000.00) as well as a third contract to supply 1000 Street Lights Materials to the RREA value at US\$100,000.00 on October 18, 2021. There was no evidence of procurement proceedings conducted to solicit and evaluate bids leading to the award of these contracts to the BMC Group for which payments were made under the street lights projects for these BMC contracts.



- 1.7.5.2 In addition, Management signed several contracts with MATY Incorporated without evidence of due procurement processes for the supply of solar street lights. We also observed no evidence of a 'No Objection' being obtained from the PPCC. **See table 5.1 below:**

Table 5.1: Contracts signed with MATY Incorporated to supply solar street lights

Contract Date	Contract Description	Contract Requirements	Contract Amount US\$
April 22, 2022	To supply solar streets lights	1,500 streets lights	187,500.00
June 8, 2022	To supply solar streets lights	1,500 streets lights	187,500.00
September 10, 2022	To supply solar streets lights	1,700 streets lights	170,000.00
October 20, 2022	To supply solar streets lights	1,600 streets lights	160,000.00
Total			705,000.00

Risk

- 1.7.5.3 Management may be noncompliant with the PPC Act of 2005 as amended and restated in 2010.
- 1.7.5.4 The non-application of the requisite procurement methods and processes may impair the achievement of value for money and facilitate fraudulent procurement activities.
- 1.7.5.5 Failure to ensure that an experienced and independent technical evaluator is included in a bid review team for high value projects may lead to contracting an inexperienced/incompetent firm.

Recommendation

- 1.7.5.6 Management should facilitate full compliance to the PPC Act of 2005 as amended in restated 2010 for all its procurement activities.
- 1.7.5.7 Management should ensure that the requisite procurement methods are utilized for all procurement transactions to achieve value for money and ensure compliance to the PPC Act of 2005 as amended and restated in 2010.
- 1.7.5.8 Management should facilitate the preparation and submission of quarterly and annual procurement activities reports to the PPCC as required by the PPC Act of 2005 as amended and restated in 2010 to facilitate effective review of all its procurement activities.
- 1.7.5.9 Evidence of approved quarterly and annual procurement activities reports, and all relevant supporting procurement records should be adequately documented and filed to facilitate future review.
- 1.7.5.10 Management should ensure that all subsequent bid evaluation committees are capacitated with an experienced and independent technical evaluator and ensure that all relevant procurement documentation is obtained and analyzed to serve as a basis for informed decision making and prudent selection of approved contractor. Evidence of bid evaluation committee meeting minutes and activities report, and all other relevant procurement

records should be adequately documented and filed to facilitate future review.

- 1.7.5.11 Management should facilitate the competitive hiring of an experienced and qualified engineer to serve in the capacity of technical supervisor for monitoring and evaluation for all its renewable energy projects. Evidence of successful performance of similar service should serve as a requirement during the recruitment process. Evidence of competitive recruitment exercises should be adequately documented and filed to facilitate future review.
- 1.7.5.12 Management should ensure that the technical supervisor validates the status of all works performed evidenced by comprehensive technical assessment report before subsequent milestone payments are disbursed.

Management's Response
(Current Management's Response)

- 1.7.5.13 *Management states that, contrary to the auditor's assumption of splitting the procurement for the supply of streetlights. The management adhered to the guidelines outlined in the approved Procurement Plan, specifically regarding lot packaging. This included following the designated procurement method, ensuring alignment with the cost estimates, and incorporating the explanatory notes as stipulated*

(Former Management's Response)

- 1.7.5.14 *Management respectfully clarifies that, contrary to the audit observation, there was no deliberate splitting of the procurement process for the supply and installation of streetlights under the Street Light Project.*
- 1.7.5.15 *Management confirms that the procurement process adhered strictly to the guidelines outlined in the approved Procurement Plan, specifically regarding the packaging of lots. The division of the project between Asian Liberia Investment and Quality Group of Companies was based on a pre-determined lot packaging strategy, consistent with the approved procurement method and aligned with the project's cost estimates and scope of work.*
- 1.7.5.16 *Furthermore, Management ensured that the procurement procedures complied fully with the requirements of the Public Procurement and Concessions Act (PPCA) of 2005, as amended and restated in 2010, including the establishment of a Bid Evaluation Panel, application of the appropriate qualification criteria, and documentation of the evaluation and award process.*
- 1.7.5.17 *The lot packaging approach was employed to:*
- a. Enhance efficiency in project execution;*
 - b. Allow specialization and manageability of work scopes;*
 - c. Ensure timely delivery and installation of streetlights across multiple project locations.*
 - d. Explanatory notes and justifications for the lot divisions were documented as part*

of the procurement process and are available for audit verification.

Corrective Actions and Commitments Going Forward:

Strengthening Procurement Documentation:

- 1.7.5.18 Management will continue to ensure that all decisions regarding lot packaging, bid evaluation, and contract awards are clearly documented with supporting explanatory notes and properly filed for future audits and reviews.

Periodic Procurement Training:

- 1.7.5.19 Management will organize periodic procurement compliance training for the Procurement Committee and relevant staff to reinforce adherence to the PPCA requirements, particularly regarding complex procurement such as infrastructure projects.

Continuous Engagement with PPCC:

- 1.7.5.20 Management will continue to maintain close coordination with the Public Procurement and Concessions Commission (PPCC) to ensure that all major procurements, especially those involving lot packaging or multiple awards, are carried out transparently and in full compliance with applicable regulations.
- 1.7.5.21 Management remains committed to transparency, compliance, and value-for-money principles in the procurement process. We appreciate the audit team's observations and reaffirm our dedication to strengthening procurement practices in alignment with the PPCA and international best practices.

(Current Management's Response)

- 1.7.5.22 Management states that contrary to the auditor's assumption of utilizing the inappropriate procurement method for the execution of the project (National Competitive Bidding (NCB) instead of International Competitive Bidding based on the contract amount being above the threshold of NCB) for the supply of street lights, Management acted in accorded with Section 48(5) of the PPC Act, which states that "the Commission may by regulation establish procedures for reducing the time period required under subsection (4) of this Section on application of the Procuring Entity to the Commission and a showing by the Procuring Entity that a reduction in the time period for an individual contract or a class of contracts will not significantly reduce competition".
- 1.7.5.23 Also, with reference to Regulation 23 (3) of the PPC Act - The Commission may consider reduction in the time frame for submission of bids upon receipt of written justification for reduction in time frame, together with the procurement plan Section 49 International Open Competitive Bidding (1) The Procuring Entity shall employ international open competitive bidding procedures when (a) the estimated contract price of the proposed procurement is higher than the ceiling Threshold establish by Regulations promulgated by the Commission for national open competitive bidding unless the Commission approves the use of national open competitive bidding on application by the Procuring Entity to the Commission and a showing by the Procuring Entity that sufficient competition exists at the national level; this



is evidenced by the approved procurement plan.

- 1.7.5.24 *We also like to respectfully confirm that we have evidence of publication of bids, of bid proposal received from Asian Liberia and Quality Groups of Companies which are available on file and an evaluation report where the evaluation committee assessed bid proposals received.*

(Former Management's Response)

- 1.7.5.25 *Management respectfully clarifies that, contrary to the audit observations, the procurement process for the supply and installation of streetlights was properly conducted in accordance with the Public Procurement and Concessions Act (PPCA) of 2005, as amended and restated in 2010, and related regulations.*

- 1.7.5.26 *Specifically, regarding the method of procurement, Management states that the use of National Competitive Bidding (NCB) was legally permissible based on the following provisions:*

- 1.7.5.27 *Section 48(5) of the PPCA authorizes the Public Procurement and Concessions Commission (PPCC) to establish procedures for reducing the standard time periods required for procurement and permits variations upon showing that such reduction will not significantly reduce competition.*

- 1.7.5.28 *Regulation 23(3) further authorizes the Commission to consider and approve a reduction in timeframes for submission of bids based on written justification from the Procuring Entity.*

- 1.7.5.29 *Section 49(1) of the PPCA states that while international open competitive bidding is generally required for procurement above a specified threshold, the Commission may approve the use of national competitive bidding where sufficient competition exists nationally.*

- 1.7.5.30 *Management affirms that approval for the use of NCB, including the justification and the procurement plan, was duly submitted to and approved by the PPCC prior to proceeding with the procurement.*

- 1.7.5.31 *In relation to the specific supporting evidence cited in the observations:*

Evidence of Publication:

- 1.7.5.32 *There exists documented evidence that the bid opportunity was publicly advertised in accordance with the PPCA requirements.*

- 1.7.5.33 *Bid proposals were duly received from Asian Liberia Investment Limited and Quality Group of Companies and are available on file for verification.*

- 1.7.5.34 *There was no evidence that the evaluation committee assessed the certification of completion from the past services performed for other entities as evidence of experience in such a project.*

Evaluation of Bid Proposals:

- 1.7.5.35 *An Evaluation Panel was constituted, which assessed the bid proposals in accordance with the published evaluation criteria. A comprehensive evaluation report was prepared, signed by all Evaluation Panel members, and is available for inspection.*

Joint Evaluation and Signatures:

- 1.7.5.36 *The Evaluation Committee met in the RREA Conference Room, jointly evaluated the proposals, and documented their findings. The finalized evaluation report bears the signatures of all participating committee members.*

Procurement Committee's Review and Decision:

- 1.7.5.37 *The Procurement Committee convened formally and reviewed the evaluation report. A meeting was held to discuss and approve the recommendations, and the records of this meeting are available.*

Monitoring and Evaluation (M&E) Reports:

- 1.7.5.38 *While Management acknowledges there may have been gaps in the timely preparation of formal M&E reports for this project, steps are being taken to enhance monitoring and documentation of project implementation going forward.*

Corrective Actions and Commitments Going Forward:

Enhanced Filing and Documentation:

- 1.7.5.39 *Management will ensure that all procurement records are comprehensively filed, including M&E reports, evaluation records, and formal approvals.*

Strengthened Monitoring and Evaluation (M&E) Reporting:

- 1.7.5.40 *Management is instituting a formal M&E framework for all major projects to ensure systematic reporting on contract implementation and deliverables.*

Bidder Documentation Compliance:

- 1.7.5.41 *Management affirms that the necessary documentation, including tax clearance certificates, business registrations, technical and financial proposals, bid securities, and powers of attorney authorizing signatories were submitted by the bidders and are maintained on file.*

- 1.7.5.42 *Management respectfully clarifies that, contrary to the audit observations, the procurement process associated with the award of contracts to Go Solar*

- 1.7.5.43 *Liberia Incorporated for the supply and installation of solar lights in fiscal year 2023 was conducted in compliance with the Public Procurement and Concessions Act (PPCA) of 2005, as amended and restated in 2010, and related regulations.*



1.7.5.44 *Specifically, Management affirms the following:*

Evidence of Bid Publication:

- 1.7.5.45 *The invitation to bid for the project was duly published, and documentary evidence of the public advertisement is available on file for verification.*
- 1.7.5.46 *A bid registration sheet was maintained, recording all vendors who registered their intent to participate in the bidding process.*
- 1.7.5.47 *While Management acknowledges that there may have been minor administrative lapses in recording the formal bid opening meeting minutes, registration and receipt of bids were properly documented.*
- 1.7.5.48 *The complete bidding package containing the technical specifications, terms of reference, and other relevant procurement information was made available to all interested bidders.*
- 1.7.5.49 *The bid proposals received from participating vendors, including Go Solar Liberia Incorporated, are available and properly filed.*
- 1.7.5.50 *Monitoring and evaluation activities related to the execution of the Go Solar contracts were undertaken by the project implementation team. Field verification exercises were conducted, and records exist to substantiate the performance assessments.*
- 1.7.5.51 *Go Solar Liberia Incorporated submitted past performance documentation during the bid evaluation process, and this evidence is maintained in the procurement files.*

Corrective Actions and Commitments Going Forward:

1. Strengthening Documentation Procedures:

- 1.7.5.52 *Management will ensure that all future procurement processes, particularly bid openings, are fully documented with attendance sheets, bid opening minutes, and related records systematically maintained.*

Formalization of Monitoring and Evaluation Reporting:

- 1.7.5.53 *Management will enhance the documentation of field-based M&E activities by ensuring that formal M&E reports are prepared, approved, and filed as part of the procurement and project management documentation.*

Enhanced Recordkeeping for Procurement Activities:

- 1.7.5.54 *All procurement records including invitations, registration sheets, bid packages, evaluation reports, M&E reports, and evidence of past performance will be systematically organized to facilitate ease of audit and verification.*



Continuous Capacity Building:

- 1.7.5.55 *Procurement and project implementation staff will undergo regular training to reinforce best practices in procurement documentation, reporting, and contract management.*
- 1.7.5.56 *Management remains committed to strengthening procurement transparency, accountability, and compliance with statutory requirements. We appreciate the observations from the audit team and will continue to implement measures aimed at improving procurement governance and documentation practices.*
- 1.7.5.57 *Management respectfully clarifies that, contrary to the audit observations, the procurement transactions involving Building Materials Center (BMC) Group and Maty Incorporated were supported by proper documentation and were executed in accordance with the applicable internal procedures and guidelines.*
- 1.7.5.58 *Management confirms that for all contracts awarded to BMC Group and Maty Incorporated, there exist the following supporting documents:*
- a) *Signed contracts;*
 - b) *Procurement records;*
 - c) *Payment vouchers;*
 - d) *Delivery notes evidencing the receipt of goods and/or services.*
- 1.7.5.59 *Management further clarifies that procurement documentation for these transactions was maintained, and procurement activities were carried out based on project urgency and operational necessities. Nonetheless, Management acknowledges the need to enhance documentation, compliance visibility, and adherence to competitive procurement processes, especially where the values involved require formal "No Objection" from the Public Procurement and Concessions Commission (PPCC). However, payments that were below the threshold, management used internal procurement review process.*

Corrective Actions and Commitments Going Forward:

Strengthened Compliance with Competitive Procurement Requirements:

- 1.7.5.60 *Management will always ensure that all future procurement transactions, especially those exceeding threshold amounts, are conducted through competitive bidding procedures in full compliance with the Public Procurement and Concessions Act (PPCA) of 2005 as amended and restated in 2010.*

Formal Engagement with PPCC:

- 1.7.5.61 *Where sole sourcing or urgent procurement is deemed necessary, Management will ensure that prior "No Objection" approvals are obtained from the PPCC before proceeding with any contract award.*

Comprehensive Documentation and Filing:

- 1.7.5.62 *Management will ensure that all procurement activities are fully documented, including:*
- a) *Procurement method approvals;*



- b) *Bid evaluations and committee minutes;*
- c) *Vendor qualification assessments;*
- d) *Contracts and delivery verifications.*

Capacity Building in Procurement and Project Supervision:

1.7.5.63 *Management will facilitate the competitive recruitment of a qualified and experienced engineer to serve as a technical supervisor for monitoring and evaluating renewable energy projects, including street lighting initiatives.*

1.7.5.64 *Evidence of prior successful experience in similar roles will be a mandatory criterion during the recruitment process.*

Technical Validation Before Payments:

1.7.5.65 *Going forward, milestone payments to contractors will only be authorized upon validation by the technical supervisor, supported by comprehensive technical assessment reports confirming that project deliverables meet approved specifications and contractual requirements.*

Regular Reporting to PPCC:

1.7.5.66 *Management will prepare and submit quarterly and annual procurement activity reports to the PPCC as mandated, providing full visibility into all procurement actions undertaken.*

1.7.5.67 *Management remains fully committed to enhancing procurement governance, promoting value for money, ensuring transparency, and aligning all procurement activities with the PPCA and international best practices. We sincerely appreciate the audit team's observations and have already begun implementing corrective actions to strengthen procurement and project management frameworks.*

1.7.5.68 *Note: Based on the Procurement Plan provided for the period under review, the Procurement Department has no record of any procurement activities or contract awards to BMC and Mati Incorporated. Procurement reaffirms its position that past Executives be contacted for the responses provided for BMC and Mati Incorporated. The comments provided are not from the Procurement Department as the documentation to authenticate the responses is not in possession of the Procurement Department. We are willing to provide additional information or documents related to approved activities on the procurement plan by PPCC for the period under review.*

Auditor General's Position

1.7.5.69 Management's assertions were not supported by documentary evidence. Management did not submit evidence of procurement records requested for audit purposes as asserted in Management's response. Management also did not provide evidence of utilization of the required procurement method catalogued in the approved procurement plan documented in our findings above. Therefore, we maintain our findings and recommendations. We will follow up on the implementation of our recommendation during subsequent audit.



1.8 Fixed Assets Management

1.8.1 Irregularities Associated with Fixed Assets Management

Criteria

1.8.1.1 Regulations V.4 (2) of the PFM Act of 2009 and revised in 2019 states that, "The master inventory shall record under each category of item:

- The date and other details of the voucher or other document on which the items were received or issued;
- Their serial numbers where appropriate; and
- Their distribution to individual locations and the total quantity held."

Observation

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

- There was no evidence of approval of the fixed assets management policy.
- The fixed assets register did not contain some of the relevant column: depreciation expense, accumulated depreciation, net book value.
- There was no evidence of periodic physical verification of assets by Management
- Solar streets lights procured and installed at various locations were not coded and subsequently recorded in the fixed asset register.
- 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
- Most fixed assets of the entity were not coded.

See Annexure 2 for details.

Risk

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

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

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

1.8.1.6 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.



1.8.1.7 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 entity's objectives.

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

Recommendation

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

1.8.1.10 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.

1.8.1.11 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.

1.8.1.12 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.

1.8.1.13 The Fixed Assets Register should be updated periodically to reflect all the entity's assets. All solar streets lights should be comprehensively recorded in the fixed assets register.

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

1.8.1.15 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

(Current Management Response)

1.8.1.16 *Management acknowledges the auditor's findings. However, we have been updating our asset registry.*

(Former Management's Response)

1.8.1.17 *Management acknowledges the auditor's findings. However, we would like to clarify that updates to our asset registry have been ongoing.*

1.8.1.18 *Management has an approved, and operationalized a comprehensive Fixed Assets Management Policy to regulate the acquisition, recording, maintenance, safeguarding, transfer, and disposal of the entity's assets.*



- 1.8.1.19 *Management has an updated Fixed Assets Register to capture all critical data fields, including:*
- a) *Asset description;*
 - b) *All Asset classified and coded.*
 - c) *Location and custodian assignment;*
 - d) *Condition of the asset;*
 - e) *Cost;*
 - f) *Depreciation expense;*
 - g) *Accumulated depreciation;*
 - h) *Net book value.*

Systematic Asset Coding:

- 1.8.1.20 *Management has in place a fixed assets coding system whereby each asset is assigned a unique identification code. This facilitates the efficient tracking, safeguarding, and periodic verification of assets.*

Periodic Physical Verification and Documentation:

- 1.8.1.21 *Management institute and document periodic physical counts and verification of all fixed assets. Evidence of each verification exercise, including count sheets and reconciliation reports, is filed and maintained for audit purposes.*

Inclusion of Solar Streetlights in the Register:

- 1.8.1.22 *All solar streetlights procured and installed at various locations will be recorded in the Fixed Assets Register with complete descriptions, locations, and assigned codes.*

Fixed Asset Movement Control:

- 1.8.1.23 *A Movement of Asset Form is developed and operationalized. This form must be duly completed and approved before any asset is relocated, and the Fixed Assets Register is updated to reflect asset movements.*

Clear Display of Assets:

- 1.8.1.24 *All assets within a given vicinity is tagged and displayed, ensuring easy identification, consistent with the requirements of the PFM Act.*

Auditor General's Position

- 1.8.1.25 Management's assertions were not supported by documentary evidence. We observed no evidence of approval of the financial manual provided for audit purposes. The fixed assets register provided for audit purposes did not contain all the relevant columns documented in our findings above. We observed no evidence of periodic physical verification and systematic coding system of fixed assets. Management did not respond to other fixed assets control deficiencies including the absence of the movement of assets forms and the fixed assets display logs. Therefore, we maintain our findings and recommendations. We will follow up on the implementation of our recommendations during subsequent audit.

1.9 Personnel Management

1.9.1 Lack of Approved Human Resource Policies and Procedures Manual

Criteria

1.9.1.1 Additionally, 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

1.9.1.2 During the audit, we observed no evidence of an approved Human Resource Policy and Procedures to guide the human resource activities at the entity.

1.9.1.3 Further, we observed no evidence that Management had adopted the decent work act of 2015.

Risk

1.9.1.4 Failure to develop approved policies and procedures to guide the activities of the entity may lead to arbitrary decisions that may be non-compliant to applicable laws and regulations and may impair the achievement of the entity's objectives.

Recommendation

1.9.1.5 Management should develop, approve and operationalize human resources policy and procedures for the effective and efficient operations of human resources activities of the entity.

1.9.1.6 Alternatively, Management should adopt and operationalize the Decent Work Act of 2015 to guide the human resources activities of the entity.

1.9.1.7 Evidence of approved policy and procedures should be adequately documented and filed to facilitate future review.

1.9.1.8 Going forward, Management should perform periodic review to ensure consistency of approved human resources policy to practices at the entity.

Management's Response (Current Management's Response)

1.9.1.9 Management states that contrary to the auditor's assumption, there exists a functional personnel handbook/manual that is under review and update by a consultant, where the Decent Work Act is referenced. (See Appendix).

(Former Management's Response)

- 1.9.1.10 *Management respectfully clarifies that, contrary to the audit observation, the entity currently has a functional Personnel Handbook/Human Resource Manual, which has been operational and guides human resource management activities.*
- 1.9.1.11 *However, Management states that the manual is currently being reviewed and updated under review and update by a qualified consultant to ensure it is fully aligned with applicable laws and best practices, particularly incorporating relevant provisions of the Decent Work Act of 2015. The revision process will further strengthen compliance with internal control frameworks, particularly the expectations outlined by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) regarding control activities.*
- 1.9.1.12 *The updated Human Resources Policy and Procedures Manual will enhance the already establish comprehensive guidance on:*
- a) *Recruitment and selection;*
 - b) *Employment contracts and conditions;*
 - c) *Performance evaluation;*
 - d) *Training and development;*
 - e) *Disciplinary and grievance procedures;*
 - f) *Compensation and benefits management;*
 - g) *Employee rights and responsibilities consistent with the Decent Work Act.*

Corrective Actions and Commitments Going Forward:

Completion of Policy Review and Update:

- 1.9.1.13 *Management will ensure the swift finalization, approval, and operationalization of the updated Human Resource Policies and Procedures Manual.*

Full Integration of the Decent Work Act:

- 1.9.1.14 *The updated manual will explicitly integrate the key provisions of the Decent Work Act of 2015 to guide all human resource practices and ensure full compliance with Liberian labor laws.*

Formal Documentation and Filing:

- 1.9.1.15 *Once approved, copies of the finalized policy will be formally documented, filed, and made available for staff reference and future audit reviews.*

Periodic Policy Review:

- 1.9.1.16 *Management commits to conducting periodic reviews (at least biennially) of the human resources policies to ensure they remain relevant, responsive to emerging HR needs, and consistent with evolving legal and regulatory frameworks.*

Capacity Building:

- 1.9.1.17 *Following the finalization of the updated manual, Management will organize training sessions for all staff to familiarize them with the updated HR policies and procedures.*
- 1.9.1.18 *Management remains fully committed to strengthening human resource governance through the development, implementation, and continuous improvement of policies that promote efficiency, compliance, transparency, and fairness in the administration of human resource activities. We appreciate the audit team's observations and view them as an opportunity to further enhance personnel management practices within the entity.*

Auditor General's Position

- 1.9.1.19 Management's assertions were not supported by documentary evidence. We observed no evidence of approval of the draft human resource policy submitted for audit purposes. Therefore, we maintain our findings and recommendations. We will follow up on the implementation of our recommendations during subsequent audit.

1.9.2 No Employees Performance Appraisal

Criteria

- 1.9.2.1 Additionally, 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

- 1.9.2.2 During the audit, we observed no evidence that Management conducted performance evaluation of its employees during the fiscal period as required.

Risk

- 1.9.2.3 The lack of periodic performance appraisal may lead to unnoticed and/or consistent poor performance by employees of the entity, thus impairing the objectives of the entity.
- 1.9.2.4 In the absence of a documented performance evaluation system, employee development plan may not be achieved thereby impairing the achievement of the entity's objectives.

- 1.9.2.5 Employees may be promoted or demoted on a discretionary basis.

Recommendation

- 1.9.2.6 Management should facilitate the conduct of periodic performance evaluations for all staff. Performance goals should be clearly defined and documented for all positions.
- 1.9.2.7 Employees should be familiarized with performance goals and be given the opportunity to periodically evaluate themselves against set goals. Subsequently, performance managers/supervisors should evaluate the performance of assigned employees against set



goals and update the employees about the result of the evaluation including areas of targeted development.

1.9.2.8 Management should solicit post feedback from employees about the fairness of the performance evaluation system and adjust where applicable.

1.9.2.9 Documentation for performance evaluation should be adequately filed to facilitate future review.

Management's Response
(Current Management's Response)

1.9.2.10 Management states that contrary to the auditor's assumption, performance appraisals were conducted for some staff, and evidence is available.

(Former Management's Response)

1.9.2.11 Management respectfully clarifies that, contrary to the audit observation, performance appraisals were conducted for a number of staff during the fiscal periods under review.

1.9.2.12 Evidence of the completed performance evaluations, including appraisal forms and reports, is available for verification.

1.9.2.13 Management acknowledges, however, that the coverage of the performance appraisal process could be expanded and more systematically documented to fully meet best practices as outlined under the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control Framework. We agree that robust, periodic staff performance appraisals are critical to ensuring that employee contributions align with the institution's strategic goals and objectives.

Corrective Actions and Commitments Going Forward:

Formalization of a Comprehensive Performance Appraisal System:

1.9.2.14 Management will expand the institutionalized structure consistent with the Performance Management and Appraisal Framework for all employees across all levels of the organization.

Definition and Communication of Performance Goals:

1.9.2.15 The clear and measurable performance goals will be emphasized for all positions, and employees will be familiarized with these goals at the beginning of each appraisal cycle.

Periodic Appraisals:

1.9.2.16 Management commits to the Auditor's recommendation that performance evaluations will be conducted annually for all staff, and documentation will be maintained for each review cycle to support accountability and transparency.



Two-Way Evaluation Process:

- 1.9.2.17 *Management will encourage both self-evaluation by employees and supervisor evaluation against the set goals to enhance fairness and promote employee engagement.*

Soliciting Feedback on Appraisal Process:

- 1.9.2.18 *Management will implement mechanisms to solicit feedback from employees regarding the fairness and effectiveness of the performance appraisal system, and adjustments will be made where necessary to strengthen its integrity.*

Capacity Building:

- 1.9.2.19 *Training sessions will be organized for managers and supervisors on objective performance evaluation techniques to ensure consistency and fairness in the appraisal process.*

Proper Documentation and Filing:

- 1.9.2.20 *All performance appraisal reports, evaluations, feedback, and improvement plans will be properly documented, filed, and made available for future internal or external reviews.*

- 1.9.2.21 *Management remains fully committed to strengthening the performance management culture within the entity to ensure operational excellence, foster employee development, and promote transparency and meritocracy. We appreciate the observations of the audit team and view this as a valuable opportunity to further enhance personnel management practices.*

Auditor General's Position

- 1.9.2.22 Management's assertions were not supported by documentary evidence. We observed no evidence of performance appraisal provided for audit purposes. Therefore, we maintain our findings and recommendations. We will follow up on the implementation of our recommendations during subsequent audit.

1.9.3 Irregularities Associated with the Recruitment Process of Employees

Criteria

- 1.9.3.1 Additionally, 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

- 1.9.3.2 During the audit, we observed the following irregularities associated with the entity's recruitment process for several employed staff and Consultants:
- No evidence that Management developed annual hiring plan and budgeted for the recruitment of employees and consultants.
 - 26 employees and 14 consultants were hired without evidence of competitive recruitment. **See table 6A below**

Table 6A: 26 Regular Staff and 14 Consultants were hired without evidence of the positions being advertised for the period under audit (2018 -2023)

No.	First	Middle	Last	Employee ID	Sex	Position
Regular Staff						
1	Roseline	W.	Ben	428812	F	Admin & Ops Director
2	Augustine		Moore	425451	M	Procurement Director
3	Rita	W	Payne	68496	F	Logistics and Operations Officer
4	Decontee	S.	Gray	417094	F	Special Assistant/ED
5	Zorlagbah	J	Mahsuah	68500	M	Driver
6	Eric	M	Jackson	68501	M	Driver
7	Theoderic	Q	Saytue	68498	M	Driver
8	Peter	D	Mulbah	421457	M	Driver
9	Eric	T	Tulay	421454	M	Driver
10	Sophia	A.	Kobalah	68495	F	Office Support
11	Charlessetta	M	Nagbe	421451	F	Office Assistant
12	Emmanuel	M.	Morris	417096	M	Office Assistant
13	Anna	Noah	Olawale	421458	F	Office Assistant
14	Ronnell	B.	Tugboe	435183	F	Receptionist
15	Stephen	V	Potter	68497	M	Deputy Executive Director
16	Patrick		Zumoh	417092	M	Program Director
17	George	Brown	Cooper	417093	M	Deputy Program Manager
18	Lisa	Netty	Barlea	421450	F	Environmental Health Technician/Coordinator
19	Louise	Carlyn	Newberry	421459	F	Budget Analyst
20	Stanley		Macauley	102154	M	Media Specialist
21	Valarie	S	Toby	421453	F	M & E Officer
22	Redeemer		Wonsiah	421452	M	Engineer
23	Issachar	Godwin	Pannoh	424076	M	Architect
24	Marthaline	K.	Horace	68502	F	Finance Director
25	Boimah	S	Barclay	428197	M	Accountant
26	Elsie	Natasha	Kpateh	428815	F	Finance Assistant
Consultant Staff:						
1	Anthony		Waylea, Jr.	001	M	Project Coordinator
2	Folley	S.	Fahnbulleh	002	M	IT Officer
3	Steven		Payma	008	M	Business Development Officer
4	Abraham		Bility	004	M	Social Development Officer
5	Varney	K.	Garpue	005	M	Civil Engineer
6	Josephus	A.G.	Sonniful		M	Electrical Engineer
7	Theophilus	S.	Karmbor, Jr.	0016	M	Electrical Engineer
8	Korvah	Loranzo	Mulbah	0017	M	Electrical Engineer
9	David	L.	Wiles	007	M	Environmental and Social Safeguard Specialist
10	Debbie	G.	Duo	003	F	Finance Assistant
11	Tennie		Johnson	014	M	Procurement Specialist

No.	First	Middle	Last	Employee ID	Sex	Position
Regular Staff						
12	Moses	A.	Saah	010	M	Community Outreach Officer
13	Johnny	D.W	Browne	013	M	Junior Hydo Power Engineer
14	Joseph	Y.	Fobay		M	Driver

Risk

1.9.3.3 Management may recruit staff that do not meet the required qualifications and experience to contribute to the overall objectives of the entity.

Recommendation

1.9.3.4 Management should ensure that all recruitment activities are carried out in full compliance with the approved/adopted human resources policy.

1.9.3.5 Management should ensure that all employees' files contain the relevant supporting document indicative of proper vetting (an approved job description, publication of vacancies, job-related test/ interview questions, and background check information) in line with the approved/adopted human resources policy. Evidence of approved hiring records should be adequately documented and filed to facilitate future review.

**Management's Response
(Current Management's Response)**

1.9.3.6 Management states that contrary to the Auditor's assumption, a hiring plan was captured in the organogram of the Agency, thereby capturing current and future staff.

1.9.3.7 Management states that during the period under audit, the recruitment process was followed, given that most staff were recruited before the audit period. For some staff, the process was not followed. Management acknowledges the AG's recommendation.

(Former Management Response)

1.9.3.8 Management respectfully clarifies that, contrary to the auditor's observation, a hiring plan existed and was embedded in the approved Organogram of the Agency, which captured both current staffing needs and projections for future personnel requirements.

1.9.3.9 Management further notes that the recruitment processes for a significant number of employees and consultants were conducted in accordance with internal practices and procedures. It is important to highlight that many of the staff referenced were recruited prior to the audit period under review.

1.9.3.10 Management, however, acknowledges that for some staff recruited during the audit period, the standard recruitment processes, including competitive advertisement and documentation of selection activities, were not fully adhered to. We recognize the importance of rigorous and transparent recruitment processes to ensure the hiring of



qualified and competent personnel in alignment with the Agency's objectives.

Corrective Actions and Commitments Going Forward:

Strengthened Recruitment Processes:

- 1.9.3.11 *Management will ensure that all future recruitment activities are conducted strictly in accordance with a formalized and approved Human Resource Policy and Procedures Manual, incorporating provisions for competitive hiring, advertisement of vacancies, and transparent selection processes.*

Publication of Vacancies:

- 1.9.3.12 *All vacancies will be strictly followed by the recruitment process as outlined in the Human Resource Manual to ensure fair competition and transparency. Records of publication and vacancy announcements will be maintained.*

Comprehensive Employee Vetting:

- 1.9.3.13 *Management will ensure that all employee files contain complete recruitment documentation, including:*
- a) *Approved job descriptions;*
 - b) *Evidence of publication of vacancy;*
 - c) *Selection criteria and evaluation forms;*
 - d) *Interview and test results;*
 - e) *References and background check information.*
 - f) *Documentation and Filing:*
 - g) *Management will adequately document and file all recruitment activities and supporting documents to facilitate internal and external reviews.*

Periodic Review and Compliance Monitoring:

- 1.9.3.14 *Management will institute periodic internal audits and reviews of recruitment and staffing processes to ensure compliance with policies and continuous improvement.*
- 1.9.3.15 *Management remains committed to strengthening human resource governance and ensuring that recruitment processes are transparent, merit-based, and aligned with applicable standards and best practices. We appreciate the auditors' observations and view them as a constructive opportunity to reinforce institutional controls and promote operational excellence.*

Auditor General's Position

- 1.9.3.16 *Management's assertions were not supported by documentary evidence. We observed no evidence of annual hiring plans and competitive recruitment records for consultants and employees catalogued in Table 6A above. Therefore, we maintain our findings and recommendations. We will follow up on the implementation of our recommendations during subsequent audit.*

1.9.4 Irregularities Associated with Consultancy Fees Payment

1.9.4.1 Regulation P.9 (2) of the PFM Act of 2009 as amended and restated 2019 states that "Payments except for statutory transfers and debt service shall be supported by invoices, bills and other documents in addition to the payment vouchers".

Observation

1.9.4.2 During the audit, we observed the following irregularities associated with the entity's Consultants Fees payment:

- 14 Consultants were paid without evidence of daily attendance records, monthly time sheets, invoices, certificate of completion, periodic Activity and performance reports. **See table 7 below**

Table 7: 14 Consultants paid consultancy Fees without evidence of daily attendant records, monthly time sheets, invoices, certificate of completion and monthly performance reports for the period under audit (2018 -2023).

No.	Name	Middle	Last	Employee ID	Sex	Position
1	Anthony		Waylea, Jr.	001	M	Project Coordinator
2	Folley	S.	Fahnbulleh	002	M	IT Officer
3	Steven		Payma	008	M	Business Development Officer
4	Abraham		Bility	004	M	Social Development Officer
5	Varney	K.	Garpue	005	M	Civil Engineer
6	Josephus	A.G.	Sonniful		M	Electrical Engineer
7	Theophilus	S.	Karmbor, Jr.	0016	M	Electrical Engineer
8	Korvah	Loranzo	Mulbah	0017	M	Electrical Engineer
9	David	L.	Wiles	007	M	Environmental and Social Safeguard Specialist
10	Debbie	G.	Duo	003	F	Finance Assistant
11	Tennie		Johnson	014	M	Procurement Specialist
12	Moses	A.	Saah	010	M	Community Outreach Officer
13	Johnny	D.W	Browne	013	M	Junior Hydo Power Engineer
14	Joseph	Y.	Fobay		M	Driver

Risk

- 1.9.4.3 In the absence of adequate supporting documents, the validity, occurrence and accuracy of payments may not be assured. This may lead to misappropriation of public funds.
- 1.9.4.4 The absence of adequate supporting documentation for transactions may also lead to fraudulent financial management practices, through the processing and disbursement of illegitimate transactions.
- 1.9.4.5 Management may override the procurement processes by completing disbursement without utilizing the required procurement processes.
- 1.9.4.6 Management may be non-compliant with Regulation P.9 (2) of the PFM Act of 2009 as amended and restated 2019.



Recommendation

- 1.9.4.7 Management should ensure that job completion certificates are submitted by vendors/consultants upon the completion of all services. Management should facilitate the timely review of all completed services against approved specifications/contracts and approve the job completion certificates accordingly.
- 1.9.4.8 Evidence of delivery notes for all goods received and job completion certificates for all services performed should be adequately documented and filed to facilitate future review.

Management's Response
(Current Management's Response)

- 1.9.4.9 *Management states that contrary to the auditor's assumption, evidence of consultants' activity reports, time sheets, and daily attendance records are available for review.*

(Former Management's Response)

- 1.9.4.10 *Management respectfully clarifies that, contrary to the auditors' observation, adequate supporting documentation exists to substantiate the payment of consultancy fees during the period under review.*
- 1.9.4.11 *Specifically, consultants' activity reports, monthly time sheets, daily attendance records, and invoices were prepared, verified, and are available on file for review and verification.*
- 1.9.4.12 *Management reaffirms its commitment to maintaining strict compliance with Regulation P.9 (2) of the PFM Act of 2009, as amended and restated 2019, which requires that all payments be supported by proper documentation, including invoices and other evidentiary materials.*

Corrective Actions and Commitments Going Forward:

Strengthening Documentation Processes:

- 1.9.4.13 *Management will ensure that for all consultancy engagements, Job completion certificates are obtained immediately upon the completion of services.*
- 1.9.4.14 *Invoices, detailed monthly time sheets, and periodic activity and performance reports are consistently maintained and linked to all payments*

Review and Authorization Controls:

- 1.9.4.15 *All submitted reports and invoices will be thoroughly reviewed and certified by the relevant supervisors before payment processing. Payment will only proceed after confirming that services have been satisfactorily delivered as per contract specifications.*

Compliance with Procurement Procedures:

- 1.9.4.16 *Management will continue to adhere strictly to procurement and payment processes, ensuring that all consultancy service engagements follow approved and transparent procedures.*



Record Keeping:

- 1.9.4.17 *All supporting documentation, including activity reports, attendance sheets, and certificates of completion, will be properly organized, secured, and readily available for internal and external audits. Management appreciates the auditors' recommendations and acknowledges the critical importance of robust documentation and monitoring practices. Management remains committed to ensuring that all consultancy services are properly verified, documented, and processed in full compliance with applicable financial regulations and best practices.*

Auditor General's Position

- 1.9.4.18 Management's assertions were not supported by documentary evidence. We observed no evidence of activity reports, monthly time sheets, daily attendance records, and invoices for consultants catalogued in Table 7 above as asserted in Management's response. Therefore, we maintain our findings and recommendations. We will follow up on the implementation of our recommendations during subsequent audit.

1.9.5 Inadequate Records in Personnel Files

Criteria

- 1.9.5.1 Additionally, 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

- 1.9.5.2 During the audit, we observed that Management did not maintain personnel records such as letter of applications, employment/appointment letters, credentials or qualifications, job description or terms of reference (TOR), personnel action notice (PAN), Curriculum Vitae (CV), etc. for several of its employees. For instance, the following documents were not available on the sampled employees' files reviewed:

- No Application Letter for 4 staff,
- No Employment letter for 2 staff,
- No Photo for 26 staff and
- No Police clearance for 26 staff, **See Annexure (3 A, B & C) for details.**

Risk

- 1.9.5.3 Failure to maintain essential personnel records may lead to Management's inability to manage or regulate the activities of its personnel effectively.
- 1.9.5.4 Management may recruit staffs that do not meet the required qualifications and experience to contribute to the overall objectives of the entity. This may impair the achievement of the entity's objectives.

Recommendation

- 1.9.5.5 Management should ensure that all employees' files are updated to contain essential documents such as letter of applications, employment/appointment letters, contracts, credentials, job descriptions or terms of reference (TOR), personnel action notice (PAN), Curriculum Vitae (CV), Police clearance, etc. to enable administration regulate the activities of its personnel effectively.
- 1.9.5.6 Management should institute periodic review/inspection of personnel files to validate the completeness of personnel records.
- 1.9.5.7 Management should institute an electronic document management system by scanning all documents in employees' files and create electronic files for each employee. This control will facilitate more effective document retention and archiving system, along with manual records.

**Management's Response
(Current Management's Response)**

- 1.9.5.8 *Management states that contrary to the Auditor's assumption, Application letters for 4 staff mentioned in the report are available; Employment letters for two staff are also available.*
- 1.9.5.9 *Management also acknowledges that photos of the 26 employees are not available; and that there is no police clearance.*

(Former Management's Response)

- 1.9.5.10 *Management respectfully clarifies that, contrary to the auditors' assumptions, the following records exist and are available for verification:*
- 1.9.5.11 *Application Letters for the four (4) staff referenced in the audit report are on file.*
- 1.9.5.12 *Employment Letters for the two (2) staff identified are also available and filed appropriately.*
- 1.9.5.13 *Management, however, acknowledges that photographs of the 26 employees are not currently available in the personnel files and that police clearances for these employees were not obtained or filed during the periods under review.*
- 1.9.5.14 *Furthermore, Management confirms that completed Personnel Action Notices (PANs) are available for all employees; however, these documents were filed separately from the individual personnel files. Going forward, Management will ensure that PANs are incorporated into each employee's personnel file to strengthen the completeness of employee records.*



Corrective Actions and Commitments Going Forward:

Updating Personnel Files:

- 1.9.5.15 *Management will update all personnel files to include missing documents such as photographs and police clearances. Measures will be taken to request and obtain police clearance certificates for all current employees as part of strengthening employee background checks.*

File Integration:

- 1.9.5.16 *All completed Personnel Action Notices (PANs) will be appropriately placed in individual personnel files to ensure that each file contains all essential employment documents.*

Periodic Reviews:

- 1.9.5.17 *Management will institute a policy of periodic review and inspection of all personnel files to verify the completeness and accuracy of employee records, and corrective actions will be taken promptly where gaps are identified.*

Electronic Personnel Records:

- 1.9.5.18 *Management will initiate the creation of electronic personnel files by scanning and archiving all personnel documents. This will ensure better record retention, ease of access, and compliance with best practices for document management.*
- 1.9.5.19 *Management remains committed to maintaining a complete, accurate, and accessible personnel records system in line with organizational policies, the Civil Service Agency (CSA) standards, and international best practices. We appreciate the audit recommendations and will continue to implement. Corrective measures to enhance the effectiveness of our personnel management processes.*

Auditor General's Position

- 1.9.5.20 Management's assertions were not supported by documentary evidence. Evidence of employees' records as catalogued in our findings above were not made available for audit purposes as asserted in Management's response. Therefore, we maintain our findings and recommendations. We will follow up on the implementation of our recommendations during subsequent audit.

1.9.6 Unapproved Salary Scales/Structure

Criteria

- 1.9.6.1 Regulation T.3 (1) (d, e and f) of the PFM Act of 2009 as amended and restated 2019 states: "(1) The head of every Management Unit shall keep records of all Personnel Emolument of staff employed in his management unit, to ensure that: (d) authorized establishments or manpower ceilings are not exceeded; (e) the amount of salary and other allowances authorized for payment to each staff is not exceeded; and (f) payments are not made on the payment voucher to staff who do not belong to the Agency or unit."



Observation

- 1.9.6.2 During the audit, we observed no evidence of an approved salary structure instituted at the entity.
- 1.9.6.3 No evidence that staffs' salaries were approved by the relevant authority and communicated to the staff during the time of employment. For instance, letters of employment reviewed for several staff did not indicate their salaries.

Risk

- 1.9.6.4 Salaries may be disbursed and adjustments to payroll may be performed on a discretionary basis. This may lead to misapplication and misappropriation of the entity's funds.

Recommendation

- 1.9.6.5 Management should develop, approve and operationalize a salary structure to regulate salary disbursement at the entity. The approved salary structure should comprehensively catalog the various positions at the entity and respective pay grades for each position. Alternatively, Management should officially adopt and operationalize the GoL Harmonization Pay Grade for disbursement of salaries at the entity.
- 1.9.6.6 Management should ensure that all adjustments to the payroll are approved by the relevant authority, supported by the required documentation and consistent with approved salary structure and the Human Resource policy of the entity.
- 1.9.6.7 Evidence of approved salary structure, evidence of adoption of GoL Harmonization Pay Grade, and all relevant supporting records for adjustments to the payroll should be adequately documented and filed to facilitate future review.

Management's Response
(Current Management's Response)

- 1.9.6.8 *Management acknowledges the auditor's observation that there is no approved salary structure.*
- 1.9.6.9 *Management asserts that Copies of the approved personnel listing from 2022-2023 are available for review.*

(Former Management's Response)

- Management acknowledges the auditors' observation regarding the absence of a formally approved salary structure during the periods under audit.*
- 1.9.6.10 *However, Management wishes to clarify that copies of the approved personnel listing for fiscal periods 2022–2023 are available and were submitted during the audit review. These personnel listings, while not a comprehensive salary scale or grade structure, did reflect the respective remuneration for each employee as approved by the Executive Management.*



Corrective Actions and Commitments Going Forward:

Development of a Salary Structure:

- 1.9.6.11 *Management is committed to developing, approving, and operationalizing a formal salary scale and grade structure for the Agency. The approved structure will clearly catalog the various staff positions and corresponding salary levels, ensuring consistency and transparency across the institution.*

Alignment with GOL Harmonization Policy:

- 1.9.6.12 *Where feasible and appropriate, Management will also consider the adoption and operationalization of the Government of Liberia (GOL) Harmonization Pay Grade, to further ensure alignment with national public sector pay practices.*

Approval and Communication:

- 1.9.6.13 *Going forward, Management will continue to ensure that all employee appointment letters clearly state the salary and relevant allowances approved for the position at the time of employment. Salary adjustments, if any, will be processed only upon written approval from the relevant authority and will be fully documented.*

Documentation and Filing:

- 1.9.6.14 *Management will ensure that the approved salary structure, as well as all supporting payroll adjustment records, are adequately documented, filed, and readily available for future audits and internal reviews.*
- 1.9.6.15 *Management appreciates the auditors' recommendations and remains committed to strengthening the governance, transparency, and account ability of its human resource and payroll management processes.*
- 1.9.6.16 *Implementation of these corrective measures will enhance compliance with the PFM Act of 2009 as amended and restated 2019, as well as improve operational efficiency and control.*

Auditor General's Position

- 1.9.6.17 Management's assertions were not supported by documentary evidence. We observed no evidence of an approved salary structure submitted for audit purposes. Therefore, we maintain our findings and recommendations. We will follow up on the implementation of our recommendations during subsequent audit.

1.9.7 No Automated Payroll Management System

Criteria

- 1.9.7.1 Regulation C.8 (2 and 3g) of the PFM Act of 2009 as amended and restated 2019 states: "(2) 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. (3g) ensure that all books of accounts under his or her control are correctly posted and kept up-to-date”.

- 1.9.7.2 Further, Regulation B.25 (3)(d) of the PFM Act of 2009 as amended and restated 2019 states: (3) The head a government agency shall institute internal controls to ensure that (d) transactions are properly tracked, approval levels clearly documented and records maintained at each level”.

Observation

- 1.9.7.3 During the audit, we observed no evidence of an automated centralized payroll management system to facilitate the effective payroll management of the entity. The payroll was managed in MS excel.

Risk

- 1.9.7.4 Data integrity, security and completeness and accuracy of payroll records may be impaired.
- 1.9.7.5 In the absence of a centralized payroll management system, the computation of taxes, other deductions and net salaries may be impaired.
- 1.9.7.6 Management may not account for all its payroll transactions.

Recommendation

- 1.9.7.7 Management should procure and operationalize a functional payroll system to facilitate complete, accurate and real-time recording of all payroll transactions of the entity.
- 1.9.7.8 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 payroll ledger. Going forward, an automated linkage should be created between the payroll ledger, trial balance and the financial statements to facilitate completeness and accuracy of the financial statements.
- 1.9.7.9 Management should also facilitate the operationalization of the electronic document management system by ensuring all relevant source and supporting documents for payroll transactions are scanned, attached to the transactions in the payroll and accounting software, archived and maintained to facilitate future review.

Management's Response

- 1.9.7.10 *Management recognizes that there is currently no automated payroll management system in place, as payroll is not handled by the appropriate divisions at the Agency, but rather by the MFDP.*
- 1.9.7.11 *Management is in the process of procuring a Human Resource Management Software.*

Auditor General's Position

- 1.9.7.12 Management's assertions did not adequately address the issues raised and was not supported by documentary evidence. The processing of the entity's monthly payroll by the MFDP and the CSA, for the periods indicated in Management's response, does not preclude Management from obtaining and managing an automated payroll management software. For all entities whose payrolls are process by the MFDP and the CSA, Management of the respective entities are responsible for providing monthly adjusted (where applicable) payroll journals to the CSA and MFDP for subsequent processing and disbursements. Therefore, we maintain our findings and recommendations. We will follow up on the implementation of our recommendations during subsequent audit.

1.9.8 Lack of Segregation of Duties in Payroll Management

Criteria

- 1.9.8.1 The Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control Framework on control activities provides that 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

- 1.9.8.2 During the audit, we observed no evidence that monthly payroll originated from the Human Resource Unit and forwarded to the Finance Unit for processing.
- 1.9.8.3 Additionally, we observed no evidence that the payroll journals were subsequently submitted to heads of department/units to review and corroborate salaries to be disbursed to personnel of respective department/units.

Risk

- 1.9.8.4 Lack of segregation of duties of such key functions may impair checks and balances, thereby, leading to misappropriation of the entity's fund.
- 1.9.8.5 Inadequate review of the payroll may lead to ghost or undeserving staff being compensated. This may also lead to salaries being paid for work not performed.
- 1.9.8.6 Unauthorized adjustments may be undetected leading to misappropriation of the entity's fund.

Recommendation

- 1.9.8.7 Management should facilitate segregation of duties and check and balances in the preparation of monthly payroll. All adjustments to the payroll should be cataloged by the Human Resource Department and submitted to the Finance Department for processing. Subsequently, the Finance Department should submit the adjusted payroll to the head of each department/units and the Human Resource Department for validation before



submission to MFDP for processing.

- 1.9.8.8 Evidence of approved monthly payroll journals and all other relevant supporting records should be adequately documented and filed to facilitate future review.

Management's Response
(Current Management's Response)

- 1.9.8.9 *Management acknowledges the Auditor's observation and asserts that payroll management was handled by the MFDP and is only sent for approval to RREA.*

(Former Management's Response)

- 1.9.8.10 *Management acknowledges the auditor's observation regarding the absence of an automated payroll management system. It is important to clarify that payroll processing for the Agency is currently managed by the Ministry of Finance and Development Planning (MFDP), rather than through the Agency's internal payroll division.*
- 1.9.8.11 *Recognizing the importance of efficient payroll administration, Management has initiated the procurement process for a Human Resource Management Software (HRMS). The implementation of this system will enhance the integrity, security, completeness, and real-time accuracy of payroll transactions, thereby strengthening internal controls over payroll management.*
- 1.9.8.12 *Going forward, Management is committed to instituting automated controls within the system, ensuring that all payroll transactions are properly initiated, reviewed, and approved by designated senior personnel before posting to the payroll ledger. Additionally, linkages between the payroll ledger, the trial balance, and the financial statements will be established to enhance the reliability and transparency of financial reporting.*
- 1.9.8.13 *Further, Management will operationalize an electronic document management system, ensuring that all supporting payroll documentation is scanned, attached to each transaction, and securely archived. This will facilitate future audits, reviews, and the timely retrieval of payroll records.*
- 1.9.8.14 *Management remains fully committed to addressing the audit recommendations and strengthening the Agency's payroll and overall financial management framework.*

Auditor General's Position

- 1.9.8.15 Management's assertions did not adequately address the issues raised and was not supported by documentary evidence. The processing of the entity's monthly payroll by the MFDP and the CSA, for the periods indicated in Management's response, does not preclude Management from maintaining segregation of duties over the processing of monthly payroll journals. For all entities whose payrolls are process by the MFDP and the CSA, Management of the respective entities are responsible for providing monthly adjusted (where applicable) payroll journals to the CSA and MFDP for subsequent processing and disbursements. Segregation of duties over the processing of the monthly payroll journals



should therefore be exercised before submission to the MFDP and the CSA to facilitate effective review and reconciliation. Therefore, we maintain our findings and recommendations. We will follow up on the implementation of our recommendations during subsequent audit.

1.10 Assurance Management

1.10.1 Lack of Audit Committee

Criteria

1.10.1.1 Regulation K.10 of the PFM Act of 2009 as amended and restated 2019 states that "the head of government agency or government organization shall in consultation with the internal audit governance board establish and maintain an audit committee for the government agency or organization for which he/she is responsible."

1.10.1.2 Further, Regulation K.11(1),(a) of the PFM Act of 2009 as amended and restated 2019 states that the Audit Committee of Government Agencies or Organizations shall review internal controls, including the scope of internal audit, internal audit Plans, internal audit findings, and recommend to the head of government agency the appropriate action to be taken.

Observation

1.10.1.3 During the audit, we observed no evidence that Management established an audit committee at the entity, to monitor and address audit matters at the institution as required.

Risk

1.10.1.4 Audit issues and lapses identified in the entity's internal control system may not be appropriately monitored and addressed due to the lack of audit committee.

1.10.1.5 Internal and external audit recommendations may not be monitored and implemented in a timely manner.

Recommendation

1.10.1.6 Management should liaise with the relevant authority to establish a functional audit committee. Evidenced of periodic meetings minutes and activities reports should be documented and filed to facilitate future review.

Management's Position (Current Management's Response)

1.10.1.7 *Management states that contrary to the auditor's assumption, an audit committee is indeed in place.*

Auditor General's Position

1.10.1.8 Management's assertions were not supported by documentary evidence. Management did

not submit copies of periodic meeting minutes and activities reports of the Audit Committee for the periods under audit as asserted in Management's response. Therefore, we maintain our findings and recommendations. We will follow up on the implementation of our recommendations during subsequent audit.

1.10.2 No Internal Audit Unit

Criteria

- 1.10.2.1 Regulation J-3 (1) of the PFM Act of 2009 as amended and restated 2019 requires that "There shall be established in each government agency or government organization an internal audit unit which shall constitute a part of that institution".

Observation

- 1.10.2.2 During the audit, we observed no evidence of an established Internal Audit Unit for the periods under audit.

Risk

- 1.10.2.3 The absence of an Internal Audit Unit may deny assurance that risks are appropriately identified and mitigated.
- 1.10.2.4 Systems, controls and compliance activities may not be monitored, thereby impairing the achievement of the entity's objectives.
- 1.10.2.5 External audit recommendations may not be implemented in a timely manner.

Recommendation

- 1.10.2.6 Management should establish a functional Internal Audit Unit to provide independent assurance on the effectiveness of the entity's risk management, governance and internal control processes.
- 1.10.2.7 Management should ensure that the Internal Audit Unit is made fully functional evidenced by the conduct of periodic risk assessments, internal audits and implementation of internal and external audit recommendations.
- 1.10.2.8 Periodic risk assessments and internal audit reports as well as evidence of implementation of internal and external audit recommendations should be adequately documented and filed to facilitate future review.

Management's Response (Current Management's Response)

- 1.10.2.9 *Management states that contrary to the auditor's assumption, there has been a functional internal audit unit at RREA.*

(Former Management's Response)

- 1.10.2.10 *Management respectfully clarifies that contrary to the Auditor's observation; the Rural*

and Renewable Energy Agency (RREA) has an established and functional Internal Audit Unit in accordance with Regulation J-3 (1) of the PFM Act of 2009 as amended and restated in 2019.

- 1.10.2.11 *The Internal Audit Unit has been actively engaged in providing independent assurance on the adequacy and effectiveness of the Agency's risk management, governance, and internal control systems. The Unit periodically conducts internal audits, reviews operational and financial processes, assesses risk exposures, and monitors the implementation of both internal and external audit recommendations.*
- 1.10.2.12 *Evidence of the Internal Audit Unit's establishment, including internal audit work plans, reports, risk assessments, and follow-up on audit recommendations, is available for verification.*
- 1.10.2.13 *Management remains committed to ensuring that the Internal Audit Unit continues to operate effectively and independently, with full support from Senior Management and the Audit Committee, to promote transparency, accountability, and the achievement of institutional objectives.*

Auditor General's Position

- 1.10.2.14 Management's assertions were not supported by documentary evidence. As at the time of our audit execution, we observed no evidence of an internal audit unit. Evidence of periodic internal audit reports, risks assessment reports and follow up on implementation of audit recommendations were not made available as asserted in Management's response. Therefore, we maintain our findings and recommendations. We will follow up on the implementation of our recommendations during subsequent audit.

ANNEXURES

Annexure 1A: Payments (USD) made to individual without evidence of being the legally authorized representatives of any entity

Transaction Date	Description	Bank Account	US\$
2/5/2020	C. T. Noah	CBL 1502023238	1,500.00
2/10/2020	T. M. Sammay	CBL 1502023239	630.00
2/10/2020	C. M. Blamonh	CBL 1502023240	490.00
2/10/2020	C. M. Wesseh	CBL 1502023241	490.00
2/10/2020	J.B. Burphy	CBL 1502023242	490.00
2/10/2020	G. F. Carter	CBL 1502023243	490.00
2/14/2020	D. Weebor	CBL 1502023244	770.00
2/14/2020	D. L. Wiles	CBL 1502023245	1,670.00
2/26/2020	D. Giono	CBL 1502023246	770.00
2/26/2020	Y. Shireff	CBL 1502023247	770.00
3/3/2020	P. D. Mulbah	CBL 1502023248	4,658.39
3/27/2020	P. D. Mulbah	CBL 1502023250	360.00
4/16/2020	P. D. Mulbah	CBL 1502023252	360.00
5/20/2020	D. L. Wiles	CBL 1502023253	560.00
5/20/2020	Y. Shireff	CBL 1502023254	560.00
5/20/2020	J.K Garpne	CBL 1502023255	2,260.00
5/20/2020	D.K. Weedor	CBL 1502023256	560.00
5/21/2020	P. D. Mulbah	CBL 1502023257	360.00
5/21/2020	P. D. Mulbah	CBL 1502023258	560.00
5/21/2020	B.M.S. WESSEH	CBL 1502023259	560.00
5/21/2020	A.K. KPAKOLO	CBL 1502023260	560.00
5/22/2020	GILES FRANCIS CARTER	CBL 1502023261	560.00
6/1/2020	CHRISTOPHER M. BLAMONH	CBL 1502023262	560.00
6/26/2020	JERNEY K. GARPUE	CBL 1502023265	69.00
6/29/2020	D.K. Weedor	CBL 1502023266	150.00
6/30/2020	P. D. Mulbah	CBL 1502023267	360.00
8/12/2020	P. D. Mulbah	CBL 1502023269	915.00
8/12/2020	R.O. OSUNTI	CBL 1502023270	1,200.00
8/12/2020	J.T. WILLIAMS	CBL 1502023271	4,235.00
8/12/2020	P. ZUMOH	CBL 1502023272	915.00
8/14/2020	G. GONTOR	CBL 1502023273	1,200.00
12/21/2020	ELSIE N. KPATEH	CBL 1502023276	1,500.00
8/16/2021	EMMANUEL M. MORRIS	IB00121970150940802	17,000.00
8/27/2021	EMMANUEL M. MORRIS	IB00121970150940802	6,700.00
12/9/2021	EMMANUEL M. MORRIS	IB00121970150940802	63,000.00
12/14/2021	EMMANUEL M. MORRIS	IB00121970150940802	5,000.00
1/1/2022	ERIC TULAY	IB00121970150940802	22,000.00
1/5/2022	EMMANUEL M. MORRIS	IB00121970150940802	5,000.00
1/11/2022	DECONTEE S. GRAY	IB00121970150940802	75,000.00
1/21/2022	EMMANUEL M. MORRIS	IB00121970150940802	16,000.00



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Transaction Date	Description	Bank Account	US\$
1/27/2022	EMMANUEL M. MORRIS	IB00121970150940802	2,000.00
2/5/2022	EMMANUEL M. MORRIS	IB00121970150940802	1,000.00
3/4/2022	EMMANUEL M. MORRIS	IB00121970150940802	40,000.00
3/11/2022	EMMANUEL M. MORRIS	IB00121970150940802	10,000.00
3/17/2022	EMMANUEL M. MORRIS	IB00121970150940802	8,346.00
4/5/2022	ERIC TULAY	IB00121970150940802	60,000.00
4/14/2022	DECONTEE SHANTEL GRAY	IB00121970150940802	5,000.00
4/20/2022	ERIC TULAY	IB00121970150940802	25,000.00
4/22/2022	ERIC TULAY	IB00121970150940802	5,000.00
5/5/2022	ERIC TULAY	IB00121970150940802	20,000.00
5/9/2022	ERIC TULAY	IB00121970150940802	12,000.00
5/20/2022	INHOUSE CK	IB00121970150940802	3,500.00
5/25/2022	ERIC TULAY	IB00121970150940802	43,000.00
6/30/2022	ELSIE N. KPATEH	IB00121970150940802	10,000.00
7/2/2022	RAYMON OGUNTI	IB00121970150940802	5,000.00
7/22/2022	ERIC TULAY	IB00121970150940802	55,000.00
7/28/2022	MARK DONNOR	IB00121970150940802	1,000.00
8/1/2022	ERIC TULAY	IB00121970150940802	23,000.00
10/8/2022	DECONTEE S. GRAY	IB00121970150940802	34,500.00
1/25/2023	CK00000& RREA	CBL 1502023277	180,000.00
1/26/2023	D.S. GRAY	CBL 1502023278	35,000.00
1/31/2023	B.S. BARCLAY	CBL 1502023281	2,000.00
2/24/2023	B.S. BARCLAY	CBL 1502023282	600.00
3/2/2023	L.CL.LARTEY	CBL 1502023283	400.00
6/26/2023	E.N. KPATEH	CBL 1502023284	10,568.10
7/7/2023	E.N. KPATEH	CBL 1502023287	7,610.00
8/8/2023	L.A. LASANAH	CBL 1502023288	70,000.00
9/15/2023	B.S. BARCLAY	CBL 1502023291	1,000.00
Total			910,756.49

Annexure 1B: Payments (LRD) made to individual without evidence of being the legally authorized representatives of any entity

Transaction Date	Description	Bank Account	LR\$
2/21/2020	V.P. STEPHEN	CBL 1501008995	3,211,147.39
12/22/2020	J.T. WILLIAM	CBL 1501008996	201,674.00
12/22/2020	O.S.K. KUMEH	CBL 1501008997	14,904.00
12/2/2022	G. GAYEFOR	CBL 1501009000	216,108.00
12/16/2022	D. DOU	CBL 1501009001	610,000.00
12/19/2022	E.N KPATEH	CBL 1501009002	90,000.00
12/27/2022	B.S BARCLAY	CBL 1501009003	30,000.00
12/27/2022	A.D. WAYLEA JR	CBL 1501009004	50,000.00
12/28/2022	O.V. ALSHERIF	CBL 1501009005	50,000.00
12/30/2022	B.S BARCLAY	CBL 1501009006	100,000.00
1/4/2023	B.S BARCLAY	CBL 1501009007	81,425.50



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Transaction Date	Description	Bank Account	LR\$
3/29/2023	R. D. COLEMAN JR	CBL 1501009011	80,000.00
5/5/2023	T. Q. SAYYTUE	CBL 1501009012	25,000.00
7/6/2023	D. S. GRAY	CBL 1501009013	500,000.00
4/20/2022	ERIC TULAY	IB 001219101550940901	200,000.00
4/22/2022	ERIC TULAY	IB 001219101550940901	200,000.00
4/26/2022	FRED SOMAH	IB 001219101550940901	9,000,000.00
8/10/2022	DECONTEE S. GRAY	IB 001219101550940901	1,000,000.00
8/15/2022	ALIEU M. KORMAH	IB 001219101550940901	500,000.00
8/30/2022	DECONTEE S. GRAY	IB 001219101550940901	1,000,000.00
Total			17,160,258.89



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Annexure 2: Fixed Assets Not Seen for Verification

No.	Description of asset	Location of asset	Code of asset	Condition of Assets Good/Fair/Faulty	Physical verification Seen/Not Seen	Serial Number	Book Value US\$
LESSAP 1							
1	Toyota Land Cruiser HighTop SUV		RREA/EQ/03/240	None	Not Seen	JTEEB71J00F019530	52,350.0
2	Toyota Land Cruiser Double cap Pickup	Depute Executive Director for Finance & Admin Office	RREA/EQ/03/241	None	Not Seen	JTEEBB71J10B044284	52,350.0
3	High Back Chair	Executive Director's office	RREA/FR/04/193	None	Not Seen	N/A	333.7
4	Panasonic PABX Desk phone	Deputy Executive Director for Finance and Admin	RREA/03/PH/213	None	Not Seen	0EBKG088931	280.0
5	Air Conditioner (indoor unit)	Inside Deputy Executive Director for Program Office	RREA/EQ/03/244	None	Not Seen	541G256100126100170292	375.0
6	Air Conditioner (outdoor unit)	Outside Deputy Executive Director for Finance and Admin	RREA/EQ/03/249	None	Not Seen	541G256100226060120034	-
LESSAP 2							
7	Laptop	Warehouse	RREA/EQ/03/02	None	Not Seen	BBHVJ1	-
8	Laptop	Warehouse	RREA/EQ/03/04	None	Not Seen	12HXBH1	-
9	Photocopier	Warehouse	RREA/EQ/03/15	None	Not Seen	EZZ87021	-
10	Monitor	Warehouse	RREA/EQ/03/64	None	Not seen	CN-0F534F-72872-93H-3LUU	-

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No.	Description of asset	Location of asset	Code of asset	Condition of Assets Good/Fair/Faulty	Physical verification Seen/Not Seen	Serial Number	Book Value US\$
11	Air Conditioner (outdoor unit)	Warehouse	RREA/EQ/03/22	None	Not seen	CL1001100065	-
12	Air Conditioner (indoor unit)	Warehouse	RREA/EQ/03/39	None	Not Seen	CL1001100004	-
13	Dell Monitor	Warehouse	RREA/EQ/03/55	None	Not Seen	CN0MM2267373185R4P1S	-
14	Plastic chair	Warehouse	RREA/FR/04/40	None	Not Seen	N/A	-
15	Filing Cabinet	Executive Director's office	RREA/FR/04/53	None	Not Seen	N/A	-
16	Printer	Warehouse	RREA/EQ/03/74	None	Not Seen	ELA49356	-
17	Swinging desk chair	Warehouse	RREA/FR/04/118	None	Not Seen	N/A	275.0
18	Air Conditioner (Indoor unit)	Conference Room	RREA/EQ/03/102	None	Not seen	12332020400c240071	-
19	Air Conditioner (outdoor unit)	Conference Room	RREA/EQ/03/103	None	Not Seen	G50170504500CC240034	-
20	swinging desk chair	Warehouse	RREA/FR/04/144	None	Not Seen	N/A	390.0
21	Toyota Hilux pickup	RREA Staff	RREA/EQ/03/137	None	Not Seen	N/A	35000.0
22	Static desk chair	PD office	RREA/FR/04/98	None	Not seen	N/A	-
23	Laptop	Omar Sherif's Desk	RREA/EQ/03/116	None	Not seen	EAN0CY44574843C	-
24	Toyota Land Cruiser HighTop	Executive Director	RREA/EQ/03/216	None	Not seen	JTEEB71J70F013708	44000.0
25	High Back Chair	Executive Director's office	RREA/FR/04/200	None	Not seen	N/A	297.0
26	Air Conditioner (outdoor unit)	Outside Guest Office	RREA/EQ/03/247	None	Not Seen	541G256100226060120002	375.0
LESSAP 3:							



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No.	Description of asset	Location of asset	Code of asset	Condition of Assets Good/Fair/Faulty	Physical verification Seen/Not Seen	Serial Number	Book Value US\$
27	Toyota Hilux pickup	RREA Staff	RREA/EQ/03/137	None	Not seen	None	35000.0
28	Toyota Land Cruiser HighTop	RREA Staff	RREA/EQ/03/138	None	Not seen	None	42000.0
29	Laptop	Procurement Director office	RREA/03/NB/145	None	Not Seen	5XSS2F2	1200.0
30	Laptop	IT Server Room	RREA/03/NB/112	None	Not seen	121RTY1	1250.0
31	Laptop	Minister of Mines & Energy office	RREA/03/NB/149	None	Not Seen	7WGR1C2	1049.0
32	Laptop	Samuel B. Nagbe	RREA/03/NB/150	None	Not seen	2PGT3C2	1049.0
33	HP Monitor	Engineers office	RREA/EQ/03/158	None	Not Seen	6CM7421858	275.0
34	LED Minitor & HDMI adapter	IT Office	RREA/EQ/03/165	None	Not Seen	CN-02RM36-QDC00-7CB-18LB-A02	325.0
AFDB Sample size 4:							
35	Laptop	Executive Director Office	RREA/03/NB/186	None	Not Seen	8DGV663	1750.0
36	Laptop	Environmental and Safe Guard Officer's Office	RREA/03/NB/188	None	Not seen	CSGJLW2	1750.0
37	Toyota Land Cruiser HighTop	Executive Director	RREA/EQ/03/216	None	Not Seen	JTEEB71J70F013708	44000.0
Total:							315,673.70



Annexure3(B): Staff without evidence of employment letters in files

No.	Name	Employee ID	Position
2	Louise Carlyn Newberry	421459	Budget Analyst
3	Redeemer Wonsiah	421452	Engineer

Annexure 3(C): Staff without evidence Photos and police clearance in files

No.	Name			Employee ID	Position
	First	Middle	Last		
1	Roseline	W.	Ben	428812	Admin & Ops Director
2	Augustine		Moore	425451	Procurement Director
3	Rita	W	Payne	68496	Logistics and Operations Officer
4	Decontee	S.	Gray	417094	Special Assistant/ED
5	Zorlagbah	J	Mahsuah	68500	Driver
6	Eric	M	Jackson	68501	Driver
7	Theoderic	Q	Saytue	68498	Driver
8	Peter	D	Mulbah	421457	Driver
9	Eric	T	Tulay	421454	Driver
10	Sophia	A.	Kobalah	68495	Office Support
11	Charlessetta	M	Nagbe	421451	Office Assistant
12	Emmanuel	M.	Morris	417096	Office Assistant
13	Anna	Noah	Olawale	421458	Office Assistant
14	Ronnell	B.	Tugboe	435183	Receptionist
15	Stephen	V	Potter	68497	Deputy Executive Director
16	Patrick		Zumoh	417092	Program Director
17	George	Brown	Cooper	417093	Deputy Program Manager
18	Lisa	Netty	Barlea	421450	Environmental Health Technician/Coordinator
19	Louise	Carlyn	Newberry	421459	Budget Analyst
20	Stanley		Macauley	102154	Media Specialist
21	Valarie	S	Toby	421453	M & E Officer
22	Redeemer		Wonsiah	421452	Engineer
23	Issachar	Godwin	Pannoh	424076	Architect
24	Marthaline	K.	Horace	68502	Finance Director
25	Boimah	S	Barclay	428197	Accountant
26	Elsie	Natasha	Kpateh	428815	Finance Assistant