Promoting Accountability of Public Resources

AUDITOR GENERAL'S REPORT of Factual Findings

Agreed Upon Procedures on the Interim Financial Report (IFR) Based Disbursement Procedures for the of Tree Crop Extension Project (TCEP)

Loan Number: 2000000632

ASAP Grant Number: 2000001473

IFAD Additional Loan Number: 2000003091

IFAD DSF Grant Number: 2000003090

RPSF Grant Number: 2000003561

For the Period January 1, 2025 to December 31, 2025

June 2026

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

ACRONYMS

Acronym/Abbreviation/Symbol	Meaning
AG	Auditor General
AWPB	Annual Work Plan and Budget
GAC	General Auditing Commission
IFAD	International Fund for Agriculture Development
IFRs	Interim Financial Reports
ISSAI	International Standards of Supreme Audit Institutions
MoA	Ministry of Agriculture
PIU	Project Implementation Unit
TCEP	Tree Crop Extension Project
US$	United States Dollars

Table Contents

AUDITOR GENERAL'S REPORT

June 30, 2026

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

The Purpose of this Agreed-Upon Procedure Report is to determine whether the expenditures claimed are outlined in the AWPB and IFR Based Disbursement procedures were properly and appropriately authorized, classified and supported by adequate documentation.

Our report is solely for the purpose of assisting International Fund for Agricultural Development in determining whether the Ministry of Agriculture IFAD Project Implementation Unit's IFR's Based Disbursement is compliant with Term of Reference for the IFAD Projects Audit for the year ended December 31, 2025. This report is intended solely for IFAD PIU and Ministry of Agriculture, and should not be used by, or distributed to, any other parties.

Responsibilities of the Engaging Party

IFAD PIU has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement.

IFAD PIU (also the Responsible Party) is responsible for the subject matter on which the agreed-upon procedures are performed.

Practitioner's Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), Agreed-Upon Procedures Engagements. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with [Engaging Party}, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Professional Ethics and Quality Control

We have complied with the ethical requirements as prescribed by ISSAI 130 and the independence requirements in accordance with ISSAI 130 (34).

The General Auditing Commission (GAC) applies International Standard on Quality Control {ISQC} 1 to Perform Audit and Review of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and Findings

We have performed the procedures described below, which were agreed upon with IFAD MoA PIU in the terms of reference date December 31, 2025, on the IFRs Based Disbursement Procedures.

Procedures	Findings
1.1. **Withdrawal Application Statement**	
The auditor is requested to obtain the individual Withdrawal Applications (WAs) submitted to IFAD, as summarized in the withdrawal application statement, and develop test procedures to:	
• Confirm that the Withdrawal Application Statement is reconciled with the amounts disbursed by the Fund and deposited to the designated account (DA).	The Withdrawal Application Statement was reconciled to the designated account bank statement and was found to be accurate.
• Confirm that the Withdrawal Application Statement is reconciled with the Interim Financial Reports (IFRs) submitted to the Fund.	The Withdrawal Application Statement was reconciled with the IFRs and was found to be accurate.
• Ascertain whether the Designated Account currency equivalent was determined using the historical exchange rate of transfers to the operating account or the accounting rules used.	All cash were received in US$ and disbursed in US$. Therefore, no exchange rate difference occurred.
• Determine whether goods and services have been purchased through the SOE mechanism in line with the stipulated SOE threshold.	
• Determine whether the expenditures claimed through SOE and IFR Based Disbursement procedures were properly and appropriately authorized, classified and supported by audit documentation.	Except for the payments made for clearing of In Valley Swamp, all disbursement procedures were properly and appropriately authorized and supported by audit documentation.
• Identify any ineligible expenditure.	No ineligible expenditure was identified
1.2. **Designated Account Statement and Reconciliation**	
The auditor is requested to review the activities of the designated account(s) associated with the project, including the initial advance, replenishments, interest that may accrue on the outstanding balances, and the year-end balances. The auditor is requested to develop test procedures to:	
• Check the accuracy of the Designated Account reconciliation(s).	The monthly designated bank account reconciliation was checked and confirmed

	to be accurate.
• Confirm that the Designated Account(s) have been maintained in accordance with the provisions of the financing agreement and that transactions from the DA(s) are accurately and correctly recorded in the financial accounts and statements of the project.	A Designated Account was established at a commercial bank as required by the project financing agreement and recorded in the project annual financial statement.
• Check that expenditures as reported in the project's financial statements are reconciled with the amounts withdrawn from the DA and that the amounts deposited to the DA are reconciled with the amounts disbursed by the Fund.	A reconciliation was performed amongst expenditures reported in the financial statements, amount withdrawn as well as amount deposited to the Designated Account. The reconciliation was observed to be accurate.
• Reconciliation should also be made with the amounts paid from the pre-financing account and direct payments (if any).	This procedure was performed at project inception.
1.3. **Interim Financial Reports (IFRs)**	
The auditor is requested to obtain the certified IFRs as submitted to IFAD and apply such test and control as the auditor deems necessary under the circumstances to:	
• Ascertain that the financial management system is reliable to produce the IFRs and has met Fund requirement during the year.	The financial management system is the tompro which meets the fund requirement and is known to produce the IFRs
• Determine whether the expenditures incurred are related to activities outlined in the AWPB and consistent with the grant agreement.	Expenditure incurred are consistent with activities outlined in AWPB and the project financing agreement.
• Determine whether the funds have been utilized for the intended purposes, with due regard to economy, efficiency and social equity.	A review of the financial statements and other underlying records shows that funds have been utilized for the intended purposes, with due regard to economy, efficiency and social equity.
• Determine whether the threshold was set for the financing instrument and the IFRs prepared accordingly.	The threshold was set for the financing instrument and the IFRs were prepared as required.
• Determine their consistency with the annual financial statements.	The annual financial statements are consistent with the adopted accounting framework (IPSAS Cash Basis of Accounting 2017).
• Determine the reasonableness of the cash flow projections	The cash flow projection compared with the Approved Work Plan showed huge variances. **See table 1 below for details**.
• Determine if expenditures incurred are related to the project description in according with the grant agreement.	Expenditures incurred on the project were consistent with project financing the agreement.
• Determine whether the expenditures claimed through	All expenditures claimed through the IFRs

IFRs properly and appropriately authorized, classified and supported by adequate documentation.	were properly and appropriately authorized, classified and supported by adequate documentation.
• Ascertain that IFRs are consistent with relevant financial statements.	All IFRs were consistent with the relevant financial statements.
• Identify any ineligible expenditure, including the nature of the ineligible expenditures, the date incurred, and the IFR period.	No ineligible expenditures were incurred.

Table 1: Variances Reported between the Approved Annual Work plan and Budget and Cash Forecast

Quarter	**APPROVED AWPB**	**Cash Outflow Forecast**	**Variance**	**% Variance**
GRANT 632	**A**	**B**	**C= A-B**	**D= C/A**
1st	3,495,301.86	1,750,662.69	1,744,639.17	49.91%
2nd	2,993,015.33	198,055.33	2,794,960.00	93.38%
3rd	2,993,015.33	0.00	2,993,015.33	100.00%
4th	2,993,015.33	0.00	2,993,015.33	100.00%
Quarter	**APPROVED AWPB**	**Cash Outflow Forecast**	**Variance**	**% Variance**
GRANT 1473	**A**	**B**	**C= A-B**	**D= C/A**
1st	479,598.00	366,390.80	113,207.20	23.60%
2nd	768,378.75	324,774.52	443,604.23	57.73%
3rd	768,378.75	0.00	768,378.75	100.00%
4th	768,378.75	0.00	768,378.75	100.00%
Quarter	**APPROVED AWPB**	**Cash Outflow Forecast**	**Variance**	**% Variance**
GRANT 3091	**A**	**B**	**C= A-B**	**D= C/A**
1st	571,390.58	317,906.08	253,484.50	44.36%
2nd	716,023.53	174,798.13	541,225.40	75.59%
3rd	716,023.53	0.00	716,023.53	100.00%
4th	716,023.53	0.00	716,023.53	100.00%
Quarter	**APPROVED AWPB**	**Cash Outflow Forecast**	**Variance**	**% Variance**
GRANT 3090	**A**	**B**	**C= A-B**	**D= C/A**
1st	193,665.67	193,665.67	0.00	0.00%
2nd	193,665.67	0.00	193,665.67	100.00%
3rd	193,665.67	0.00	193,665.67	100.00%
4th	193,665.67	0.00	193,665.67	100.00%

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

June 2026