Management Letter

On the Financial Statements Audit of the Governance Reform and Accountability Transformation Project (GREAT-P)

For the Period December 1, 2024 to December 31, 2025

Promoting Accountability of Public Resources

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

Monrovia, Liberia
June 2026

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Acronyms/Abbreviations/Symbols

Acronyms/Abbreviations/Symbol	Meaning
A/C#	Account Number
AfDB	African Development Bank
AG	Auditor General
APA	Assistant Project Accountant
BEP	Bid Evaluation Penal
BIT	Beneficiary Institution Team
CBL	Central Bank of Liberia
CFC	Certified Financial Consultant
CFIP	Certified Forensic Investigation Professional
CPA	Certified Public Accountant
DFIL	Disbursement and Financial Information Letter
FCCA	Fellow Member of the Association of Chartered Certified Accountants
FM	Financial Management
GAC	General Auditing Commission
GoL	Government of Liberia
GREAT-P	Governance Reform and Accountability Transformation Project (GREAT-P)
IDA	International Development Association
IPSAS	International Public Sector Accounting Standards
LRA	Liberia Revenue Authority
M & E	Monitoring and Evaluation
MoPT	Ministry of Post & Telecommunication
MSC	Ministerial Steering Committee
NSA	Non-State Actors
PFM Act	Public Finance Management Act
PFMU	Project Financial Management Unit
PIT	Project Implementation Team
PMU	Project Management Unit
PPC Act	Public Procurement & Concessions Act
PPCC	Public Procurement and Concessions Commission
PSC	Project Steering Committee
PV	Payment Voucher
SPA	Senior Project Accountant
TSF	Transition Support Facility
US$	United States Dollar

June 24, 2026

Mr. Jim-Ngormoh Kamara
Project Implementation Team Lead
Governance Reform and Accountability Transformation Project (GREAT)
Project Management Unit (PMU)
Ministry of Finance and Development Planning (MFDP)
Monrovia, Liberia

Dear Mr. Kamara:

Re: Management Letter on the Financial Statement Audit of the Governance Reform and Accountability Transformation Project (GREAT) for the Period December 1, 2024 to December 31, 2025.

The financial statements of the Integrated Public Financial Management Reforms Project (GREAT-P) are subject to audit by the Auditor-General in terms of Section 2.1.3 of the General Auditing Commission (GAC) Act of 2014 as well as in accordance with the Engagement Term of Reference (ToR).

Introduction

The audit of the GREAT-P II for the period December 1, 2024 to December 31, 2025 has been completed and the purpose of this letter is to bring to your attention the findings that were revealed during the audit.

Audit Scope and Methodology

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

An audit includes:

- Examination on a test basis of evidence supporting the amounts and disclosures in the financial statements;
- Assessment of the accounting principles used and significant estimates made by management; and
- Evaluation of the overall financial statement presentation.

The audit also includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations which came to our attention and are applicable to financial matters.

The matters mentioned in this letter are therefore those that were identified through tests considered necessary for the purpose of the audit and it is possible that there might be other matters and/or weaknesses that were not identified.

The financial statements, maintenance of effective control measures and compliance with laws and regulations are the responsibility of the GREAT-P Management. Our responsibility is to express our opinion on these financial statements. The audit findings which were identified during the course of the audit are included below.

Key Management Personnel

The following key personnel managed the affairs of the Governance Reform and Accountability Transformation Project (GREAT-P) during the period under audit:

No.	Name	Rank	Tenure
1	Hon.Augustine Kpehe Ngafuahn	Minister of Finance and Development Planning	Sept. 2024-Present
2	Hon. Dehpue Y. Zuo	Deputy Minister of Economic Management, MFDP	June 2024-present
3	Mr. Papin Daniels, Jr	Unit Director, Project Financial Management Unit	Nov. 2010-present
4	Mr. Leroy N. Fendor	Deputy Director, Project Financial Management Unit	June 2017-present
5	Mr. Subozu Kollie	Project internal Auditor	June 2017-present
6	Mr. Jim-Ngormoh A. Kamara	GREAT Project Team Lead	Jan. 2012-present
7	Mrs. Gbolue Goldore	Project Accountant	Jan. 2009 - present

Appreciation

We would like to express our appreciation for the courtesy extended and assistance rendered by the Management and staff of the Project Financial Management Unit (PFMU) and Project Implementation Team (PIT) during the audit.

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

Monrovia, Liberia
June 2026

1 DETAILED FINDINGS AND RECOMMENDATIONS

1.1 Governance

1.1.1 No Evidence of Implementation of Key Mandates of the Project

Criteria

1.1.1.1 Two disbursement conditions, related to subcomponents 1.3 and 3.4 'Disbursement condition # 1 (US$2,000,000): No withdrawal shall be made under Category (2) unless and until (i) the Recipient National Identification Registry (NIR) and their solution providers have completed all outstanding contractual obligations associated with the National Biometric Identification System including the completion of all remaining activities and pending payments, the delivery of the system's source code to the NIR, and the establishment of a clear maintenance and support structure; and (ii) the Recipient has, through the Ministry of Post and Telecommunication (MoPT), pending approval of the Personal Data Protection Bill by the President of Liberia, adopted Interim Personal Data Protection Guidelines for registration and data sharing and processing activities under the Project, in form and substance satisfactory to the Association. (Disbursement condition # 3 (US$1,200,000):

1.1.1.2 No withdrawal shall be made under Category (4) unless and until the Recipient has: (i) gone live with the Civil Service Management (CSM) Module and Donor Financed Projects Module (DFPM) in the IFMIS; and (ii) the Budget Preparation Module and Electronic Funds Transfer system are being used in form and substance satisfactory to the Association' are fulfilled tying up a total of US$2,300,000.

Observation

1.1.1.3 During the audit, we observed no evidence that the implementation of two disbursement conditions—related to subcomponents 1.3 and 3.4, amounting to US$2,300,000.00 were fulfilled. However, with technical guidance from the World Bank, the Monitoring & Evaluation (M&E) framework for data collection on the project development objectives (PDOs) and intermediate results indicators were refined, and baseline indicators were validated to support ongoing results tracking. Nevertheless, M&E implementation faced challenges, notably staffing constraints, incomplete field reporting, and delays in recruiting County Service Center (CSC) coordinators, all of which impacted the timeliness and quality of data collection.

1.1.1.4 Moreover, we observed that no disbursements were made under Category (2). This occurred because the recipient, the National Identification Registry (NIR), and its solution provider failed to complete all outstanding contractual obligations associated with the National Biometric Identification System. These unfulfilled obligations included completing remaining activities, settling pending payments, delivering the system's source code to the NIR, and establishing a clear maintenance and support structure. **See Table 1 below for details.**

Table 1: No Evidence of Implementation of Key Mandates of the Project

COMPONENT	DESCRIPTION	BUDGETED AMOUNT/Component	Outstanding activities	Percentage of Completion	Timeline
SUBCOMPONENT 1.3	Enhance Access to Selected Public Services	-	Support the rollout of National ID system and strengthen the capacity of NIR to improve access to online services	0%	December 2025
SUBTOTAL		2,000,000.00		0%	
SUBCOMPONENT 3.4	Enhance the Capacity and Openness of Selected Accountability Institutions	-	Strengthen IFMIS effectiveness and enhance compliance in budget execution	0%	December 2025
SUBTOTAL		1,200,000.00		0%	

Risk

1.1.1.5 Project deliverables may not be implemented within the approved timelines. This may lead to increased overhead costs and non-achievement of project objectives.

1.1.1.6 Payments may be made for service not performed and value for money may be impaired.

1.1.1.7 The absence of effective monitoring and evaluation during the project may impair the achievement of value for money and the implementation of project deliverables.

Recommendation

1.1.1.8 Management should provide substantive justification why project deliverables cataloged in Table 1 above have not been implemented according to the agreed timelines in the approved annual workplan and budget, as part of Management's response to this Management Letter.

1.1.1.9 Going forward, Management should develop, approve and operationalize a work plan to facilitate the smooth implementation of deliverables for all components. 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 all parties and included as supplementary documentation to the approved contracts.

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.

1.1.1.11 Evidence of approved work plans, contracts and periodic monitoring and evaluation reports should be adequately documented and filed to facilitate future review.

Management's Response

1.1.1.12 *Management appreciates the observations raised and provides the following clarifications.*

1.1.1.13 *The observation relates to two disbursement conditions under Subcomponents 1.3 and 3.4 of the GREAT Project that were not fulfilled during the period under review. Management agrees that the disbursement conditions remained unmet as of December 31, 2025. However, Management respectfully notes that the non-fulfillment of these conditions should not be interpreted as an absence of implementation effort or project inactivity.*

Subcomponent 1.3 – Support to the National Identification Registry

1.1.1.14 *The disbursement condition under Subcomponent 1.3 requires, among other actions, that the National Identification Registry (NIR) and its solution provider complete all outstanding contractual obligations associated with the National Biometric Identification System, including settlement of outstanding payments, delivery of the source code, completion of remaining activities, and establishment of a maintenance and support framework.*

1.1.1.15 *The fulfillment of these requirements is dependent on actions by the NIR, its vendor, and policy-level decisions beyond the direct control of the GREAT Project. In particular, completion of the condition requires the resolution of significant outstanding contractual obligations, including payments by the Government of Liberia to the vendor, estimated at over US$1.9 million.*

1.1.1.16 *While the Project has provided coordination support, monitoring, reporting, and engagement with stakeholders, the Project does not possess the authority to independently fulfill these obligations. Accordingly, the delay in achieving the disbursement condition reflects broader institutional and policy challenges rather than a lack of implementation effort by the Project.*

1.1.1.17 *Recognizing these challenges, discussions have been held with the World Bank regarding the future of this activity, and the Minister of Finance and Development Planning has formally requested a restructuring of the US$2.0 million allocation associated with this disbursement condition.*

Subcomponent 3.4 – Strengthen IFMIS Effectiveness and Enhance Compliance in Budget Execution

1.1.1.18 *The disbursement condition under Subcomponent 3.4 requires the Government of Liberia to operationalize the Civil Service Management (CSM) Module and Donor-Financed Projects Module (DFPM) and ensure effective utilization of the Budget Preparation Module and Electronic Funds Transfer (EFT) system within IFMIS.*

1.1.1.19 *Management notes that progress has been made toward these objectives. However, full compliance with the disbursement condition requires government-wide operationalization and sustained use of the specified modules in a manner satisfactory to the World Bank. These requirements involve multiple institutions and policy-level decisions that extend beyond the direct authority of the Project.*

1.1.1.20 *The Project has continued to coordinate implementation activities, monitor progress, and report developments to the World Bank and relevant stakeholders. Discussions are ongoing regarding the status of the disbursement condition, and its future will be assessed during the next World Bank Implementation Support Mission. Depending on progress achieved by September 2026, restructuring options may be considered.*

On Monitoring and Evaluation

1.1.1.21 *Management acknowledges the challenges noted in relation to monitoring and evaluation, including staffing constraints and delays affecting data collection activities. Nevertheless, the Project continued to undertake monitoring and reporting functions throughout the period under review. With support from the World Bank, the Monitoring and Evaluation framework was refined, baseline indicators were validated, and reporting arrangements were strengthened to improve results tracking and project oversight.*

Response to Recommendations

Recommendation 1.1.1.8

1.1.1.22 Management has provided the above explanation regarding the factors affecting achievement of the disbursement conditions. The delays are primarily attributable to institutional, contractual, and policy matters outside the direct control of the Project.

Recommendation 1.1.1.9

1.1.1.23 Management agrees with the recommendation. Annual Work Plans and Budgets (AWP&Bs), procurement plans, implementation schedules, and component-level work plans are already utilized to guide project implementation. Management will continue to strengthen coordination and monitoring arrangements to support timely execution of project activities.

Recommendation 1.1.1.10

1.1.1.24 Management agrees. Monitoring and evaluation activities are ongoing and will continue to be strengthened to ensure timely tracking of implementation progress and achievement of project results.

Recommendation 1.1.1.11

1.1.1.25 Management agrees and will continue to maintain and properly file approved work plans, implementation reports, contracts, and monitoring documentation to facilitate future review.

Conclusion

1.1.1.26 *Management acknowledges that the disbursement conditions for Subcomponents 1.3 and 3.4 had not been fulfilled during the period under review. However, these conditions are dependent on actions involving multiple institutions and policy-level decisions beyond the direct control of the Project. The Project has continued to perform its coordination, monitoring, reporting, and stakeholder engagement functions in support of achieving these objectives, while discussions with the Government and the World Bank continue regarding the most appropriate way forward for the affected activities.*

Auditor General's Position

1.1.1.27 We acknowledge Management's assertions. However, with the non-implementation of project deliverables catalogued in our findings above, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.1.2 No Meeting Minutes and attendance listing for Steering Committee

Criteria

1.1.2.1 Section 4.1. Th Governance Reform and Accountability Transformation (GREAT P) Project Implementation Manual states that: The PSC will convene quarterly. The first meeting will be held to approve the annual work plan and budget and to provide policy direction for the project. Subsequent meetings will focus on reviewing project implementation and providing further direction. The PSC may convene ad hoc meetings when necessary or as requested by the Chair of the Technical Oversight Committee, PIT, or the World Bank. The PSC operates under the framework established in the PAD, outlining the division of labor among the project's three main components, as agreed upon by the World Bank and the Government of Liberia. While the World Bank and other donor partners are welcome to attend Steering Committee meetings, they do not possess voting privileges. One month before each PSC meeting, the PIT will distribute a preliminary agenda to committee members, allowing a two-week window for comments and suggestions. Subsequently, the PIT will finalize the agenda and disseminate it to all participants of the steering committee meetings at least one week before the scheduled meeting.

Observation

1.1.2.2 During the audit, we observed no evidence of a functional Steering Committee, evidenced by the absence of meeting minutes and periodic activities reports.

Risk

1.1.2.3 The strategic oversight over the function of Management may be impaired. This may impair the achievement of the institution's objectives.

1.1.2.4 Management may override institutional policies and procedures that may adversely impact the operations of the entity.

1.1.2.5 Management may not implement internal and external audit recommendations due to the absence of a functional steering committee.

Recommendation

1.1.2.6 Management should liaise with the appropriate authorities to establish a functional steering committee.

1.1.2.7 The Steering Committee should be made functional evidenced by periodic meetings' minutes and activities reports. Evidence of periodic meeting minutes and activities reports should be adequately documented and filed to facilitate future review.

Management's Response

1.1.2.8 *Management does not agree with the audit observation that there is no evidence of a functional Project Steering Committee (PSC). Contrary to the assertion in Observation 1.1.2.2, the GREAT Project has maintained an active and functional PSC, consistent with Section 4.1 of the Project Implementation Manual. The PSC has been regularly convened, has deliberated on strategic matters, and has exercised its oversight responsibilities, with documented evidence available in the form of approved meeting minutes.*

Specifically:

- *The PSC convened on January 10, 2025, where it reviewed and approved the Annual Work Plan and Budget (AWP&B) after detailed deliberations and adjustments across components.*
- *The PSC convened again on May 23, 2025, where it reviewed, corrected, and endorsed the revised AWP&B, and provided strategic guidance to improve implementation quality and alignment with national priorities.*
- *On August 20, 2025, the PSC held a duly constituted meeting with confirmed quorum and representation from all key beneficiary institutions, during which it approved budget revisions, addressed implementation bottlenecks, endorsed reallocations, and reviewed project progress across all components.*

These meetings clearly demonstrate that the PSC has been:

- *Providing strategic direction and oversight*
- *Reviewing and approving AWP&Bs*
- *Addressing implementation challenges raised by beneficiary institutions*
- *Monitoring progress through implementation updates and reports*
- *Making key policy and operational decisions affecting project delivery*

Furthermore, each meeting included:

- *Formal attendance records and quorum confirmation*
- *Structured agendas aligned with PSC mandates*
- *Documented deliberations and resolutions*
- *Action points with assigned responsibilities and timelines*

1.1.2.9 *This is fully consistent with the roles and responsibilities outlined under Section 4.1 of the PIM.*

On the Auditor's Conclusion

1.1.2.10 *The conclusion that there is "no evidence of a functional Steering Committee" reflects that the relevant documentation may not have been available for review at the time of the audit, rather than an absence of such evidence.*

Management maintains that:

- *The PSC is established, operational, and functional*
- *Adequate documentation exists and has been maintained*

- *Meeting minutes and records can be made available for audit verification at any time*

On the Recommendations

- ***Recommendation 1.1.2.6****: Already implemented. The GREAT Project Steering Committee is functional and does not need to be reestablished.*

- ***Recommendation 1.1.2.7****: Already implemented. Evidence of periodic PSC meetings and activities is fully documented and filed, as demonstrated by the attached minutes.*

Conclusion

1.1.2.11 *Management reaffirms that the PSC is fully functional and operating in accordance with the PIM, and that sufficient documentary evidence exists to substantiate this. The audit observation is therefore not valid and should be revised accordingly upon review of the supporting documentation.* ***See attached Exhibit I: Project Steering Committee Meeting Minutes***

Auditor General's Position

1.1.2.12 We acknowledge Management's subsequent submission of PSC meeting minutes for the first three quarters of the Fiscal Year 2025 after our audit execution. However, meeting minutes for the fourth quarter Fiscal Year 2025 was not made available for audit purposes.

1.1.2.13 Further, Management's provision of documents after our review, does not guarantee Management effective control of expenditure liquidation and document management.

1.1.2.14 Going forward, Management should ensure that requested documents for audit purposes are submitted in a timely manner.

1.2 Financial Reporting

1.2.1 No Automated Financial Management System/ Accounting Software

Criteria

1.2.1.1 Section 5.4.1. of the Great Project Implementation Manual states that: The MFDP ICT Unit is responsible for providing ICT advisory, management, administration, information security, and support services to the project. This includes maintaining data security, data backup and recovery, access control for the accounting system (SUN/IFMIS). The policies and procedures governing these activities are detailed in the ICT Security and Network Policy, approved by the MFDP in 2014. This framework ensures the system's integrity, security, and availability.

1.2.1.2 The Database Administrator within the ICT Unit is responsible for ensuring regular backups of system data to secure locations, facilitating prompt restoration in case of data loss, corruption, or system failure. The system will be backed up bi-weekly, following the specific methods and recovery procedures outlined in the ICT Security and Network Policy. Access to the database will be tightly controlled, with permissions assigned based on defined user roles within the system. The ICT Unit will also manage access to the SUN/IFMIS, ensuring permissions are granted according to clearly defined user roles, and restricted to what is necessary for each role's function. To maintain compliance with security protocols, the ICT Unit will conduct quarterly reviews of user access rights and prepare a report on the findings. This report will be shared with the PSC and the World Bank. These measures are crucial in preventing unauthorized access and ensuring that only qualified personnel can interact with critical system components.

1.2.1.3 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.

1.2.1.4 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

1.2.1.5 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.

1.2.1.6 Management utilized Microsoft excel for the processing and recording of financial transactions.

Risk

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

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

1.2.1.9 Management may not account for all of its transactions.

Recommendation

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

1.2.1.11 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.

1.2.1.12 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

1.2.1.13 *The designing of the project into the Sunsystems reporting software has delayed due to the anticipated migration of donor-financed projects into GoL IFMIS. A consultant was hired to perform this service, but the process has experienced significant delays in the migration process. In the wake of this delay, the World bank has decided that management should proceed to design the GREAT-P into the SunSystems reporting software. The process of migrating the financial data, transaction analysis is currently being undertaken for the designing of the project into the Sunsystems accounting software before the next audit.*

Auditor General's Position

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

1.3 Procurement Management

1.3.1 No Evidence of Certified Physical Audit Report

Criteria

1.3.1.1 Regulation 136 (1) of the PFM Act of 2009 as amended and restated 2019 states "When certifying completion of works or supply of goods or services, the accounting officer or his authorized officer and the department of the Ministry responsible for physical audit shall prepare an inspection report that includes the date, quantity and particulars of the works and supply, the date, method, and results of the inspection, and any evidences supporting the results, and attach the report to the payment request and, record this information in the designated financial management system".

Observation

1.3.1.2 During the audit, we observed no evidence of certified physical audit report for transaction amounting to US$21,312.56 as required. **See table 4 below for detail.**

Table 4: No Evidence of Certified Physical Audit Report

Expenditure Description	Payee	Date	Voucher Number	Amount (US $)	Comments
Payment for procuring of furniture for commission's Training Room	EJS Design and Build	16/12/2025	GREATP-IDA/2025/206	21,312.56	Certified physical audit report was not attached. Goods delivery note for comparison with quantity in the bid not attached to PV.
Total				**21,312.56**	

Risk

1.3.1.3 Management may be non-compliant with Regulation 136 (1) of the PFM Act of 2009 as amended and restated in 2019.

1.3.1.4 Payments may be made for goods not delivered or services not performed. Goods delivered or services performed may not meet the approved specifications.

1.3.1.5 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.

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

1.3.1.7 Management may override the procurement processes by completing disbursement without utilizing the required procurement methods.

Recommendation

1.3.1.8 Management should submit copy of certified physical audit report not made available for audit purposes for transaction catalogued in Table 4 above, as part of Management's response to this Management Letter.

1.3.1.9 Going forward, Management should ensure that the Internal Audit Department verifies the receipts of all goods and completion of all services and subsequently issues certified physical audit reports after validation of comprehensive receipts of goods and successful completion of services (where applicable) as required by Regulation 136 (1) of the PFM Act of 2009 as amended and restated in 2019.

1.3.1.10 Evidence of approved certified physical audit report should be adequately documented and filed to facilitate future review.

Management's response

1.3.1.11 *The audit observation notes the absence of a certified physical audit report and delivery documentation.*

1.3.1.12 *Management clarifies that:*

- *A Goods Delivery Note is available, confirming delivery of the items procured.*
- *Payment was processed based on evidence of delivery and acceptance documentation available at the Project Implementation Team level.*
- *Management notes the importance of physical verification in line with contract requirements. While delivery evidence is available, documentation of all related processes, including any physical inspection, may not have been comprehensively captured in the payment records. Management will enhance filing practices to ensure completeness of documentation for future audits.*

1.3.1.13 *While delivery documentation exists, Management acknowledges that filing of complete documentation (including all supporting attachments with payment vouchers) can be further strengthened to ensure ease of audit verification.*

Auditor General's position

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

1.4 Fixed Assets Management

1.4.1 Irregularities Associated with Fixed Asset Management

Criteria

1.4.1.1 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

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

- There was no evidence of a fixed assets management policy.
- The fixed assets register did not contain all the relevant columns.
- The fixed assets of the Project were not coded. **See exhibit 1**
- There was no evidence of periodic physical verification of assets by Management
- 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.

Risk

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

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

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

1.4.1.6 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.

1.4.1.7 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.

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

Recommendation

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

1.4.1.10 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.

1.4.1.11 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.

1.4.1.12 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.

1.4.1.13 The fixed assets register should be updated periodically to reflect all the entity's assets.

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

1.4.1.15 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

1.4.1.16 *Management appreciates the observations raised and provides the following clarifications:*

1. On Fixed Asset Movement and Location

1.4.1.17 *Management confirms that:*

- *No fixed assets were moved during the period under review.*
- *All fixed assets remain in their assigned and recorded locations.*

- *The assets are physically available and can be presented for inspection upon request by the auditors.*

1.4.1.18 *Accordingly, the absence of asset movement forms reflects the fact that no transfers occurred during the period, rather than a breakdown in controls.*

2. On Fixed Asset Register

1.4.1.19 *Management confirms that:*

- *A fixed asset register is maintained and regularly updated to track project assets.*
- *The register captures key information including asset description, identification, responsible officer, and location.*

1.4.1.20 *However, Management acknowledges that:*

- *The current register does not include specific fields for date of purchase and asset cost, as noted in the audit observation.*

Action:
Management will update the asset register template to include:

- *Date of purchase*
- *Cost of asset*
- *And other recommended fields where applicable to ensure full alignment with PFM Act requirements and the Project Implementation Manual.*

3. On Physical Verification of Assets

1.4.1.21 *Management notes that:*

- *Due to the project's implementation approach of "use of country systems", asset verification is integrated within the Ministry's broader institutional processes.*
- *The GREAT Project does not maintain a standalone internal audit function; instead, the Ministry's Internal Audit and Asset Management Units perform periodic asset verification exercises, which include project assets as part of overall Ministry asset verification protocols.*

1.4.1.22 *While verification activities are undertaken, Management acknowledges that:*

- *Documentation specific to the project's asset verification may not have been separately maintained or readily identifiable during the audit review.*

Action:
Management will strengthen documentation practices by ensuring that:

- *Evidence of periodic verification exercises is clearly documented, extracted where necessary, and filed at the project level for ease of audit reference.*

4. On Display of Fixed Assets

1.4.1.23 *Management notes that:*

- *Fixed assets are located within offices and operational spaces where they are in active use.*

- *All items remain identifiable and traceable to responsible officers and locations.*

Action:
Management will enhance compliance by:

- *Ensuring proper labeling/tagging of all project assets*
- *Improving visibility and traceability in line with PFM requirements*

5. Response to Recommendations
Recommendation 1.5.1.11 & 1.5.1.13

1.4.1.24 *Management agrees and will update the fixed asset register to include all required fields, including cost and date of purchase, and ensure periodic updates.*

Recommendation 1.5.1.12

1.4.1.25 *Management agrees. While verification is conducted through the Ministry's Internal Audit Unit, documentation will be strengthened to ensure clear evidence of periodic verification at the project level.*

Recommendation 1.5.1.14

1.4.1.26 *Management agrees and will improve asset tagging and visibility to meet compliance expectations.*

Recommendation 1.5.1.15

1.4.1.27 *Management agrees. While no asset movement occurred during the period under review, movement forms will be utilized and properly authorized for any future asset transfers, with corresponding updates to the asset register.*

Conclusion

1.4.1.28 *Management notes that the observations primarily relate to documentation gaps and format limitations, rather than absence of asset control or accountability.*

1.4.1.29 *The project maintains control over its assets, and all assets are available, accounted for, and in use. Going forward, Management will strengthen documentation, expand the asset register, and enhance compliance with prescribed formats to facilitate improved audit verification.*

Auditor General's position

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

Status of Prior Year's Audit Issues

Number	Findings	Recommendation	Status of Implementation
1.1	**1.1.1 No Automated Financial Management System/ Accounting Software**	Management should procure and operationalize a functional accounting software to facilitate complete, accurate and real-time recording of all financial transactions of the entity	**Not resolved**
	1.1.2 No Supporting Detailed General Ledgers	Management should ensure that detailed general ledgers are prepared to support revenue (receipts) and expenditures figures reported in the financial statements.	**Not resolved**
	1.2.1 Non-reconciliation between the Budget/Workplan Activities and the Economic Activities used for Financial Reporting	Going forward, Management should prepare the approved budget, workplan, general ledger, trial balance and the financial statements utilizing a unique basis of classification: economic or programmatic.	**Resolved**
	1.2.2 Inconsistent Reference Numbering between Cash Book and Payment Vouchers	Management should ensure that all financial transactions are recorded in a complete, accurate and consistent manner. The payment voucher details including codes recorded on the face of the payment voucher should reconcile with the payment voucher details including the codes recorded in the cash book and general ledger.	**Resolved**
	1.3.1 Fixed Assets Management	Management should ensure that the fixed assets register is updated to reflect the following; date of purchase, description, class, code, location, condition, cost, depreciation expense, accumulated depreciation and net book value of the asset.	**Not resolved**

EXHIBIT

Exhibit 1

	ITEM	Quantity	Serial Number	MFDP Code	Assigned
1	Internet Modem	1	862624052112376	MFDP-GREAT	Jim-ngormoh A. Kamara/MFDP
2	Internet Modem	1	862624052105735	MFDP-GREAT	Mark M. Massaquoi/MFDP
3	Internet Modem	1	862624052106402	MFDP-GREAT	Gbolu P. Goldore/MFDP
4	Internet Modem	1	862624052112566	MFDP-GREAT	Margaret Beyslow/EPA
5	Internet Modem	1	862624052111972	MFDP-GREAT	Deputy Minister Economic Management (Office)
6	Internet Modem	1	862624052105834	MFDP-GREAT	Jerry D. Zangar/MFDP
7	Internet Modem	1	862624052330713	MFDP-GREAT	Robert S. Kamei/LRA
8	Internet Modem	1	862624052330796	MFDP-GREAT	D. Nalon Kaine/MoPT
9	Internet Modem	1	862624052330978	MFDP-GREAT	Nathan N. Bengu/PPCC
10	Computer Lenovo Yoga 7 14IRL8	1	YX07P3GR	GREAT-MFDP-MLT-297-4	Gbolu P. Goldore/MFDP
11	Computer Lenovo Yoga 7 14IRL8	1	YX07P3JN	GREAT-MFDP-MLT-297-2	To Be Assigned (TBA)
12	Computer Lenovo Yoga 7 14IRL8	1	YX07P3H6	GREAT-MFDP-MLT-297-5	TBA
13	Computer Lenovo Yoga 7 14IRL8	1	YX07P3L7	GREAT-MFDP-MLT-297-3	Molley O. Kiazolu/MFDP
14	Computer Lenovo Yoga 7 14IRL8	1	YX07P3FB	GREAT-MFDP-MLT-297-6	TBA
15	Computer Lenovo Yoga 7 14IRL8	1	YX07P3F5	GREAT-MFDP-MLT-297-1	Fohn T. Gborweah/MFDP
16	Computer Lenovo ThinkPad X1 Carbon Gen 10	1	PF-4QBLG8	GREAT-MFDP-MLT-297-7	Lamine Kamara (PAM Consultant) Temporarily assigned/MFDP
17	Computer Microsoft Surface Pro 9 2038	1	0F388TJ23503BF	GREAT-MFDP-MLT-297-1	Jim-ngormoh A. Kamara/MFDP
18	HP Color LaserJet Pro MFP M479fdw	1	CNCRQD70JF	GREAT-MFDP-CM-600-1	PIT/Procurement Unit MFDP
19	HP LaserJet Pro MFP 137 fnw	1	CNB1RBH59H	GREAT-MFDP-CM-600-2	PIT/DMEM Office MFDP
20	Epson Projector HA86B	1	XBF43106926	GREAT-MFDP-P-297-1	PIT/Procurement Unit MFDP
21	Toyota Hilux	1	AHTDK9CD0009793 09	GSA-MFDP-05-7	PIT (Jim-ngormoh A. Kamara)
22	Toyota Landcruiser 76	1	JTEEB71J60F02979 9	GSA-MFDP-03-17	PIT/Ministry of Internal Affairs (Deputy Minister for Research and Planning)