Management Letter

On the Financial Statements Audit of the Liberia Electricity Sector Strengthening Access Project II (LESSAP II)

For the period ended December 31, 2025

Promoting Accountability of Public Resources

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

Monrovia, Liberia
June 2026

Table of Contents

Acronyms/Abbreviations/Symbols

Acronyms/Abbreviations/Symbol	Meaning
AFP	Audit Focal Person
AG	Auditor General
AM	Aide Memoir
CFC	Certified Financial Consultant
CFIP	Certified Forensic Investigation Professional
FA	Financing Agreement
FCCA	Fellow Member of the Association of Chartered Certified Accountants
FM	Financial Manual
FS	Financial Statements
GAC	General Auditing Commission
GOL	Government of Liberia
IFRs	Interim Financial Reports
INTOSAI	International Organization of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standards of Supreme Audit Institutions
LEC	Liberia Electricity Corporation
LESSAP	Liberia Electricity Sector Strengthening Access Project
LRA	Liberia Revenue Authority
PA	Payment Advice
PAD	Project Appraisal Document
PAP	Project Affected Persons
PFM	Public Financial Management
PIM	Project Implementation Manual
PMT	Project Management Team
PPC Act	Public Procurement Concession Act
RAP	Resettlement Action Plan
RL	Republic of Liberia
ToR	Term of Reference

June 24, 2026

Mr. Mohammed Sheriff
Chief Executive Officer (CEO)
Liberia Electricity Corporation (LEC)
Waterside, Monrovia, Liberia

Dear Mr. Sheriff:

RE: Management Letter on the Financial Statements Audit of the Liberia Electricity Sector Strengthening Access Project II (LESSAP II) for the Year Ended December 31, 2025.

The Financial Statements of the Liberia Electricity Sector Strengthening Access Project II (LESSAP II) for the fiscal year ended December 31, 2025 are subject to audit by the Auditor General (AG) consistent with the Auditor General's mandate as provided for under Section 2.1.3 of the General Auditing Commission (GAC) Act of 2014, and the Audit Engagement Terms of Reference (ToR).

INTRODUCTION

The audit of the Liberia Electricity Sector Strengthening Access Project II (LESSAP II) for the period ended 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 course of the audit.

The financial statements are prepared in line with the requirements of the International Public Sector Accounting Standards (IPSAS), Cash Basis Accounting.

SCOPE AND DETERMINATION OF RESPONSIBILITY

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) as promulgated by International Organization of Supreme Audit Institutions (INTOSAI), the International Public Sector Accounting Standards (IPSAS) Cash basis and the World Bank reporting requirements. These standards require that we plan and perform the audit so as to obtain reasonable assurance whether the Liberia Electricity Sector Strengthening Access Project II (LESSAP II) financial statements and related records are free of material misstatements due to errors or fraud and whether they comply with ethical requirements.

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 statements' presentation.

The audit will also contain 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 Management of LESSAP. Our responsibility is to express an opinion on these financial statements.

The audit findings which were identified during the course of the audit are included below. It would be appreciated, if you were to comment on or provide your responses to these findings.

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

Monrovia, Liberia
June 2026

1. DETAILED FINDINGS AND RECOMMENDATIONS

1.2 Budget Management

1.2.1 Misrepresentation of Budget Performance Variance

Criteria

1.2.1.1 Subject to the requirements of paragraph 1.7.17, an entity that makes publicly available its approved budget(s) shall present a comparison of the budget amounts for which it is held publicly accountable responsible and actual amounts either as a separate additional financial statement or as additional budget columns in the statement of cash receipts and payments currently presented in accordance with this standard. The comparison of budget and actual amounts shall present separately for each level of legislative oversight:

a. The original and final budget amounts;
b. The actual amounts on a comparable basis; and
c. By way of note disclosure, an explanation of material difference between the budget for which the entity is held publicly accountable and actual amounts, unless such explanation is included in public documents issued in conjunction with the financial statements, and a cross reference to those documents is made in the notes

1.2.1.2 Section 1.3.27 of IPSAS Cash Basis of Accounting requires that "financial statements shall present information that is:

a) Understandable;
b) Relevant to the decision-making and accountability needs of users;
c) A faithful representation of the cash receipts, cash payments and cash balances of the entity and the other information disclosed in the financial statement in that it is:
(i) Complete; (ii) Neutral and (iii) Free from material error;

Observation

1.2.1.3 During the audit, we observed that percentage variances for material difference between budget and actual amounts resulting from execution of the annual approved budget were presented as the percentage of utilization contrary to the prescription of the IPSAS revised. **See Table 1 below for details**.

Table 1. Misrepresentation of Budget Performance Variances

Statement of Comparisons of Budget and Actuation Amounts					
Account	**Budget (A)**	**Actual (B)**	**Variance C=(A-B)**	**% of Budget Utilization**	**% of Budget Variance (GAC) Computed**
Receipts:	**USD**	**USD**	**USD**		
Direct Payment and DA Remittances	7,616,094	2,547,957	5,068,137	33%	67%

Statement of Comparisons of Budget and Actuation Amounts					
Account	**Budget (A)**	**Actual (B)**	**Variance C=(A-B)**	**% of Budget Utilization**	**% of Budget Variance (GAC) Computed**
Receipts:	**USD**	**USD**	**USD**		
Total Receipts	**7,616,094**	**2,547,957**	**5,068,137**	**33%**	**67%**
Payments:					
Component 1: Rehabilitation and Expansion of Electricity Infrastructure and Systems and Access Expansion.	2,580,000	230,684	2,349,316	9%	91%
Component 2: Electrification of Health and Households in Off-Grid Rural Areas	3,823,188	221,196	3,601,992	6%	94%
Component 3: Technical Assistance for Institutional Reform, Capacity Building of Sector Institution and Implementation Support to LEC.	1,212,906	325,787	887,119	27%	73%
Total Payments	**7,616,094**	**777,667**	**6,838,427**	**10%**	**90%**

Risk

1.2.1.4 Fair presentation and full disclosure of the financial statements may be impaired.

1.2.1.5 The completeness and accuracy of the financial statements may not be assured; therefore, the financial statements may be misstated. A misstated financial statement may facilitate fraudulent financial reporting and mislead the financial statements users.

Recommendation

1.2.1.6 Management should recompute the budget variances and disclose in the notes to the financial statements the corrected variances. The adjusted financial statements should be submitted to the Office of the Auditor General, as part of Management's response to this Management Letter.

1.2.1.7 Going forward, Management should ensure that financial statements are prepared and reviewed by individuals with the relevant qualification, experience, and seniority to ensure the financial statements are reflective of actual project activities and comprehensively and fairly presented.

Management's Response

1.2.1.8 *Management acknowledges the finding and wishes to provide the following clarification: The matter has been appropriately disclosed in the resubmitted Financial Statements in accordance with IPSAS requirements. The computation in question was prepared to reflect the utilization/expenditure rate against the approved budget, thereby providing additional insight into budget performance.*

Auditor General's Position

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

1.2.2 Incomparable Classification of Expenditure Reported in the Financial Statements

Criteria

1.2.2.1 Paragraph 1.7.19 of the IPSAS Cash Basis Accounting states "When the budget and the financial statements are not prepared on a comparable basis, a separate statement of comparison of budget and actual amounts is presented. In these cases, to ensure that readers do not misinterpret financial information which is prepared on different bases, the financial statement could usefully clarify that the budget and the accounting bases differ and the statement of comparison of budget and actual amounts is prepared on the budget basis".

Observation

1.2.2.2 During the audit, we observed that amounts reported in the Statement of Cash Receipts and Payments were presented using the economic classification while the amounts reported in the statement of comparison of Budget and Actual Amounts were presented using programmatic classification. Additionally, Management did not disclose in the notes to the financial statements a statement reconciling the economic classification to the programmatic classification as required.

Risk

1.2.2.3 Fair presentation, full disclosure and understandability of the financial statements may be impaired.

1.2.2.4 Failure to disclose in the notes to the financial statements a reconciliation between economic and programmatic classifications utilized in the disclosure of financial transactions may impair effective review and reconciliation of the financial transactions and statements. This may deny the intended users of the financial statements the information needed to make informed decisions.

Recommendation

1.2.2.5 Management should adjust the financial statements to include in the notes to the financial statements, a statement reconciling the economic classification to the programmatic classification as required to facilitate fair presentation, full disclosure, understandability and effective review and reconciliation of the financial statements. The adjusted financial statements should be submitted to the Office of the Auditor General, as part of Management's response to this Management Letter.

1.2.2.6 Going forward, Management should facilitate full and adequate disclosures in the notes to the financial statements consistent with Paragraph 1.3.27 of the 2017 revised IPSAS Cash Basis. Management should utilize the same classification of expenditures (economic or programmatic) for amounts reported in the Statement of Cash Receipts and Payment and the Statement of Comparison of Budget and Actual Amounts. Alternatively, where different classifications are utilized in the presentation of amounts reported in the Statement of Cash Receipts and Payment and the Statement of Comparison of Budget and Actual Amounts, Management should prepare a statement reconciling the economic classification to the programmatic classification as required to facilitate fair presentation, full disclosure, understandability and effective review and reconciliation of the financial statements.

Management's Response

1.2.2.7 *Management wishes to provide the following clarification:*

- *The Statement of Comparison of Budget and Actual Amounts, prepared using programmatic classification, was duly presented as a disclosure note to the Financial Statements. This was provided as a reconciliation to the economic classification, in line with reporting requirements.*

1.2.2.8 *Subsequently, the Financial Statements were revised and resubmitted to incorporate this disclosure more explicitly under the appropriate section, ensuring improved clarity and alignment with the applicable reporting framework.*

1.2.2.9 *Management therefore believes that the necessary disclosure has been adequately addressed.*

Auditor General's Position

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

1.2.3 Excess Disbursement over Annual Workplan and Budget Amount

Criteria

1.2.3.1 Section 4.2 of the 2019 approved LEC financial management manual states "Consistent with the Financing Agreement of LACEEP, the LEC/PCMU shall prepare its Annual Work Plan and Budget by 31 March of each year for the succeeding Fiscal Year and submit to the World Bank for approval. The Annual Work Plan and Budget shall encompass all foreseeable future activities. In the event where any activity necessary to be carried out has been left out of the Annual Work Plan and Budget, the PCMU shall obtain the Bank's explicit No-Objection before such activity is implemented."

1.2.3.2 Liberia Electricity Sector Strengthening and Access Project (LESSAP II - P180498) as Phase 2 of The Multi-Phase Programmatic Approach External Audit Term of Reference (TOR) for the Year Ending December 31, 2025, Section 3 (f) requires the auditor to verify that national laws and regulations have been complied with, and that the financial and accounting procedures approved for the project (e.g. operational manual, financial procedures manual, etc.) were followed and used;

Observation

1.2.3.3 During the audit, we observed that Management expended US$6,482.54 in excess of its approved Annual Work Plan and Budget (AWPB) without evidence of a supplementary budget and/or a No-Objection for the excess disbursements. **See Table 2 below for details**.

Table 2: Excess Disbursement over Annual Workplan and Budget Amount

Uses of Funds by Activities Within Components	Annual Budget US$ (A)	Disbursement US$ (B)	Variance US$ C=(A)-(B)
3B: Technical Assistance, Training and Capacity Building of Sector Institutions and Project Implementation Support A. Project Management Staff			
3A5 Snr Financial Management Specialist	113,139.22	119,621.75	(6,482.54)

Risk

1.2.3.4 Management may be non-compliant with Section 4.2 of the LEC 2019 Approved Financial Management Manual.

1.2.3.5 Spending in excess of approved budget may lead to discretionary expenditure and misappropriation of project fund. This may impair achievement of the project's objectives.

1.2.3.6 Facilitating unauthorized excess expenditure may lead to under-disbursement of approved budgetary project components.

1.2.3.7 Unauthorized excess disbursement over approved annual work plan and budget may lead to misappropriation and misapplication of project funds.

Recommendation

1.2.3.8 Management should account for the variance between the approved AWPB and the actual disbursement, as part of Management's response to this Management Letter.

1.2.3.9 Going forward, Management should ensure that a No Objection is obtained for all excess expenditure exceeding amounts approved in the AWPB before disbursement is initiated. Evidence of approved amendments/No Objections should be adequately documented and filed to facilitate future review.

Management's Response

1.2.3.10 *Management acknowledges the finding and wishes to provide the following clarification: The excess expenditure arose primarily due to the payment of staff rental allowances, which were made in advance in accordance with the terms stipulated in the respective staff contracts. This upfront payment resulted in a temporary depletion of the budget allocated for the period.*

1.2.3.11 *Given that this occurred towards the end of the financial year, there was limited time to initiate and complete a formal budget revision process to accommodate the variance.*

Auditor General's Position

1.2.3.12 We acknowledge Management's assertions. Going forward, Management should ensure that a No-Objection is obtained for all excess expenditure exceeding amounts approved in the AWPB before disbursement is initiated as recommended. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.2.4 Under Expenditure of Approved Budgetary Appropriation

Criteria

1.2.4.1 Regulation E.7 (1) (2) of the Public Financial Management Act of 2009 as amended and restated 2019 requires that a head of government agency shall inform the sector minister or appropriate authority immediately of any circumstances that are likely to affect materially the budgetary results either through revenue and expenditure or other receipts and payments of the Government agency. The sector minister or the appropriate authority shall take the necessary steps to bring to the notice of the Minister any warnings of significant or material budget variations.

Observation

1.2.4.2 During the audit, we observed that Management did not spend its full approved budgetary allotment for the fiscal year ended December 31, 2025. As a result, several approved activities catalogued in the annual workplan of the project were not implemented as required. **See Table 3 for details:**

Table 3: Under Expenditure of Approved Budgetary Appropriation

Project Component	Annual Budget Amount per Financial Statements US$ (A)	Actual Expenditure per Financial Statements US$ (B)	Variance C=(A-B)	Percentage Variance
Component 1: Rehabilitation and Expansion of Electricity Infrastructure	2,580,000	230,684	2,349,316	91%

Project Component	Annual Budget Amount per Financial Statements US$ (A)	Actual Expenditure per Financial Statements US$ (B)	Variance C=(A-B)	Percentage Variance
and Systems and Access Expansion.				
Component 2: Electrification of Health and Households in Off-Grid Rural Areas	3,823,188	221,196	3,601,992	94%
Component 3: Technical Assistance for Institutional Reform, Capacity Building of Sector Institution and Implementation Support to LEC.	1,212,906	325,787	887,119	73%

Risk

1.2.4.3 Under expenditure of approved budget for the project may impair the achievement of the project deliverables (PDs).

1.2.4.4 Management may not implement approved planned activities catalogued in the approved annual work plan and budget of the entity.

Recommendation

1.2.4.5 Management should perform periodic (at least quarterly) reconciliation between budget and expenditure amounts. Gaps identified should be used to govern future budget and disbursement activities. Evidence of Quarterly and Annual Budget Performance Reports should be adequately documented and filed to facilitate future review.

1.2.4.6 Going forward, in the instance of under expenditure of approved budget, the project Director should communicate to the Project Steering Committee of any circumstances that are likely to affect materially the budgetary results either through receipts or expenditure.

1.2.4.7 The Project Director should subsequently communicate to the Project Steering Committee bringing to their attention any warnings of significant or material budget variations.

1.2.4.8 Evidence of the above communication and the subsequent approved recast budget should be adequately documented and filed to facilitate future review.

Management's Response

1.2.4.9 *Management wishes to provide the following clarification:*

- *The delays noted were primarily due to timing differences in meeting the legal covenant requirements necessary for the commencement of project disbursements. Specifically, the completion of these requirements depended on inputs and processes from LEC, which resulted in a later-than-anticipated start to disbursement activities during the 2025 financial year.*

1.2.4.10 *Additionally, during the same period, LESSAP 1 activities were in the process of winding down, with certain outstanding activities being transitioned to LESSAP 2. These transition processes were ongoing throughout the 2025 financial year and contributed to the overall timing of project implementation and disbursement.*

1.2.4.11 *In light of the above, Management considers that the delays were largely procedural and transitional in nature, rather than indicative of any underlying control deficiencies, and were managed within the broader context of project continuity and compliance requirements.*

Auditor General's Position

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

1.2.5 Lack of Comparative Information

Criteria

1.2.5.1 Paragraph 1.4.1 of the IPSAS Cash Basis of Accounting states "The general-purpose financial statements shall be presented at least annually. When, in exceptional circumstances an entity's reporting date changes and the annual financial statements are presented for a period longer or shorter than one year, an entity shall disclose in addition to the reporting covered by the financial statements:

a) The reason(s) for a period other than one year being used; and
b) The fact that comparative amounts may not be comparable."

1.2.5.2 Paragraph 1.4.16 of the IPSAS states, "Unless a provision of these Standard permits or requires otherwise, comparative information shall be disclosed in respect of the previous period for all numerical information required by this standard to be disclosed in the financial statements, except in respect of the financial statements for the reporting period to which this standard is first applied. Comparative information shall be included in narrative and descriptive information when it is relevant to an understanding of the current period's financial statements".

Observation

1.2.5.3 During the audit, we observed that the financial statements did not contain comparative information, neither did we observe a disclosure that the reporting period for the project applied to the IPSAS for the first time.

Risk

1.2.5.4 Fair presentation and full disclosure of the financial statements may be impaired.

1.2.5.5 Management may be non-compliant with Paragraphs 1.4.1 and 1.4.16 of the IPSAS.

Recommendation

1.2.5.6 Management should adjust the financial statements to include in the notes to the financial statements, comparative information. Otherwise, Management should disclose that financial statements for the reporting period applies to the IPSAS for the first time; hence, comparative figures are not applicable.

Management's Response

1.2.5.7 *Management wishes to provide the following clarification:*

- As this represents the first audit of LESSAP 2, which commenced operations in April 2025, there are no prior period figures available for comparative reporting.

1.2.5.8 *This has been appropriately disclosed in the Financial Statements in accordance with the applicable reporting framework.*

Auditor General's Position

1.2.5.9 We acknowledge Management's acceptance of our finding and recommendations and the subsequent adjustment of the financial statements.

1.3 Fixed Assets

1.3.1 Irregularities Associated with Fixed Assets

Criteria

1.3.1.1 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 were appropriate; and
- their distribution to individual locations and the total quantity held."

1.3.1.2 Paragraph 1.3.8 of the IPSAS states "Notes to the financial statements include narrative descriptions or more detailed schedule or analyses of amounts shown on the face of the financial statements, as well as additional information. They include information required and encouraged to be disclosed by this standard, and can include other disclosures considered necessary to achieve a fair presentation and enhance accountability".

Observation

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

- The fixed assets register did not contain all the relevant columns
- There was no evidence of movement of assets form
- Fixed assets totaling US#12,790.00 were not coded. **See table 5**
- Fixed assets within a given vicinity were not displayed as required by the PFM
- Fixed assets purchased during the period were not adequately disclosed in the notes to the financial statements. **See table 6.**

Table 5: Irregularities Associated with Fixed Assets

Date of Purchase / Receipt	Asset Type	Supplier	Asset Description	Asset Value / Cost	Asset Identification Number	Asset Location / Qty	Assignee	Source of Funding	Comments
23-Dec-25	Computers	Planet PC	Hp Intercool Unltra Seven	1,790.00	N/A	Waterside	IT (to be assigned)		
23-Dec-25	Computers	Planet PC	Hp Intercool Unltra Seven	1,790.00	N/A	Waterside	IT (to be assigned)		
23-Dec-25	Computers	Planet PC	Hp Intercool Unltra Seven	1,790.00	N/A	Waterside	IT (to be assigned)		
23-Dec-25	Desktop	Planet PC	Intel Core i7-14700	2,860.00	N/A	Waterside	IT (to be assigned)		
23-Dec-25	Desktop	Planet PC	Intel Core i7-14700	2,860.00	N/A	Waterside	IT (to be assigned)		
23-Dec-25	Printer	Planet PC	HP Color Laser jet Pro MFP	850.00	N/A	Waterside	IT (to be assigned)		
23-Dec-25	Printer	Planet PC	HP Color Laser jet Pro MFP	850.00	N/A	Waterside	IT (to be assigned)		

Table 6: Irregularities Associated with Fixed Assets

Note 3	**DA A** LEC	**DA A** RREA	**TOTAL DA A**	**DA B** LEC	**DA B** RREA	**TOTAL DA B**	**Consolidated**
Fixed Assets purchases in the year							
Project implementing Partner-	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Project Management-DA	0.00	72,675	72,675	0.00	24,225	24,225	96,900
Project Management-DP	230,684	0.00	230,684	0.00	0.00	0.00	230,684
Total payments for goods and works	**230,684**	**72,675**	**303,359**	**0.00**	**24,225**	**24,225**	**327,584**

DA A=Designated Account A DA B=Designated Account B

Risk

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

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

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

1.3.1.7 The lack of asset movement log may make it difficult to keep track of assigned or transferred assets, which may lead to misuse, loss or theft of assets without being noticed.

1.3.1.8 Failure to properly account for fixed assets may lead to theft and misapplication of equipment/materials. This may result in the non-achievement of the entity's objectives.

1.3.1.9 Failure to adequately disclose fixed assets in the financial statement may deny stakeholders relevant information important for decision making.

Recommendation

1.3.1.10 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.

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

1.3.1.12 A movement of Asset Form should be filled and authorized before assets are moved from one location to another. The Fixed Asset Register should be updated to reflect the change in location of assets.

1.3.1.13 Management should adjust the financial statements to include in the notes to the financial statements, full disclosure of fixed assets.

Management's Response

1.3.1.14 *Management acknowledges the findings and wishes to provide the following summary clarification:*

- *A Fixed Asset Register is in place, regularly updated, and serves as a key control mechanism for tracking project assets. While some additional fields were not initially included, Management will enhance the register to incorporate the recommended columns to further strengthen reporting and compliance.*

- *Periodic physical verification exercises are conducted, and evidence of such reviews is available. These have confirmed the existence and condition of assets, with no material discrepancies identified. Management will, however, further formalize documentation and asset movement controls, including the introduction of standardized movement forms.*

- *Most assets have been appropriately coded and recorded, while those not yet coded are currently held within the IT Department and will be tagged and updated in the register upon assignment to staff. Asset identification and location tracking are therefore maintained and will continue to be strengthened through improved tagging and display.*

- *With respect to depreciation and enhanced asset reporting, Management notes that the Project operates under the IPSAS Cash Basis, which requires only a memorandum Fixed Asset Register. However, the ongoing ERP system implementation has incorporated functionality for depreciation and full asset accounting, which will be utilized at the LEC level for broader financial reporting purposes.*

1.3.1.15 *Management also confirms that asset disclosures will be enhanced and presented as notes to the Financial Statements going forward, in line with IPSAS guidance.*

1.3.1.16 *Overall, Management is of the view that adequate controls over fixed assets are in place, and the observations primarily relate to process enhancements rather than any material control deficiencies or risk of misappropriation.*

Auditor General's Position

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