Promoting Accountability of Public Resources

AUDITOR GENERAL'S REPORT

ON THE FINANCIAL STATEMENTS AUDIT OF THE MANO RIVER UNION ROAD DEVELOPMENT AND TRANSPORT FACILITY PROGRAMME (MRU/RDTFP-III) PROJECT

FOR THE YEAR ENDED DECEMBER 31, 2025.

June 2026

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

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Acronyms

Acronyms/Abbreviations/Symbol	Meaning
AG	Auditor General
MRU/RDTFP	Mano River Union Road Development & Transport Facilitation Programme
AfDB	African Development Bank
CHICO	China Henan International Cooperation Group Co. LTD
CFC	Certified Financial Consultant
CFIP	Certified Forensic Investigation Professional
FCCA	Fellow Member of the Association of Chartered Certified Accountants
GAC	General Auditing Commission
GOL	Government of Liberia
IPSAS	International Public Sector Accounting Standards
ISSIAs	International Standards of Supreme Audit Institutions
MPW	Ministry of Public Work
US$	United state Dollars

AUDITOR GENERAL'S REPORT

June 25, 2026

Hon. Roland Layfette Giddings
Minister
Ministry of Public Works
South Lynch Street
Monrovia, Liberia

AUDITOR GENERAL'S REPORT ON THE FINANCIAL STATEMENTS AUDIT OF THE MANO RIVER UNION ROAD DEVELOPMENT AND TRANSPORT FACILITY PROGRAMME (MRU/RDTFP-III) PROJECT FOR THE YEAR ENDED DECEMBER 31, 2025.

Opinion

We have audited the accompanying financial statements of the Mano River Union Road Development and Transport Facility Programme (MRU/RDTFP-III) Project for the year ended December 31, 2025, which comprises the Statement of Receipts and Payments, Statement of Fund Balance and Cash Status, Statement of Comparison of Budget and Actual Amounts, Statement of Financial Position and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the Statement of Receipts and Payments as of December 31, 2025, the Statement of Comparison of Budget and Actual Amounts, and a summary of other accounting policies and other explanatory notes for the year ended in accordance with International Public Sector Accounting Standards (IPSAS) Cash Basis of Accounting.

Basis for Opinion

We conducted our audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements Section of our report. We are independent of the MRU III Management in accordance with the Code of Ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the Project Implementation Manual (PIM) and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS Cash Basis, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing its ability to continue as a going concern, disclosing, as applicable, matters related to going concerned and using the going concern basis of accounting unless management either intends to cease operations or has no realistic alternative but to do so. The Project Financial Management Unit (PFMU) is responsible for overseeing the Project's financial reporting process.

Auditor's Responsibility

Our responsibilities are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Monrovia, Liberia
June 2026

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Statement of Project Management Responsibility

The Project Financial Management Unit (PFMU) of the Ministry of Finance and Development Planning and the Project Coordinator for AfDB – Mano River Union Road Development and Transport Facility Programme-Phase III project are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year ended on December 31, 2025.

This responsibility includes (i) maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period, (ii)maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the project, (iii)designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud,(iv) safeguarding the assets of the project, (v)selecting and applying appropriate accounting policies and (v)making accounting estimates that are reasonable in the circumstances.

The PFMU and the Project Coordinator for AfDB – Mano River Union Road Development and Transport Facility Programme-Phase III project accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards. The PFMU and the Project Coordinator for AfDB – Mano River Union Road Development and Transport Facility Programme-Phase III project are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year ended December 31, 2025, and of the Project's financial position as at that date. The PFMU and the Project Coordinator for AfDB – Mano River Union Road Development and Transport Facility Programme-Phase III project further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

The PFMU and the Project Coordinator for AfDB – Mano River Union Road Development and Transport Facility Programme-Phase III project confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project Financial Statements

The Project financial statements were approved by the Project Financial management Unit and the Project Coordinator for AfDB – Mano River Union Road Development and Transport Facility Programme-Phase III project on February 24th, – 2026

STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2025

In United States Dollars	Notes	**December 2025**	December 2024	Cummulative
Receipt				
AfDB Grant & Loan	4	**177,293**	170,983	348,275
Toptal Receipt		**177,293**	170,983	348,275
Payment				
Improvement Activity	5	**-**	-	-
Transport & Trade Facilitation	6	**177,293**	75,983	253,275
Institution Support & Project Management	7	**-**	95,000	95,000
Contigencies	8	**-**	-	-
Total Payments		**177,293**	170,983	348,275
Excess of receipts over payments (payments over receipts)		**-**	-	-
Fund Balance as at beginning		**-**	-	-
Cummulative fund balance		**-**	-	-

The notes on pages 6 to 9 are integral part of these project financial reports

Note:

The third party payments of **US$177,292.50** which are direct payments have been extracted from the total funds receipt and the total payments made.These are payments made on behalf of the project by the African Development Bank and thus required disclosures. These payments are available for review upon request by the auditors

STATEMENT OF FUND BALANCEAND CASH STATUS
FOR THE PERIOD ENDED DECEMBER 31, 2025

		December 2025	December 2024
	In United States Dollars		
A	**Fund Balance**		
	Balance of Project Fund	**-**	-
	Add: Total Receipts during the period	**177,293**	170,983
	Total Fund available for operations	**177,293**	170,983
	Less: Total Payments during the period	**177,293**	170,983
	Balance of project fund at the end of the year	**-**	-
B	**Cash Status:**		
	Cash at Bank	**-**	-
	Total Cash on hand and in bank	**-**	-
	Difference between A and B	**-**	-

The notes on pages 6 to 9 are integral part of these project financial reports

Note:

The third party payments of **US$177,292.50** which are direct payments have been extracted from the total funds receipt and the total payments made.These are payments made on behalf of the project by the African Development Bank and thus required disclosures. These payments are available for review upon request by the auditors

14. Ananlysis of Variance

Activities Within Components	Project Allocation US$	Annual US$	Actual Expenditure US$	Variance US$
Improvement Activity	46,100,000.00	-	-	-
Transport & Trade Facilitation	1,200,000.00	177,293	177,293	-
Institution Support & Project Management	2,110,000.00	-	-	-
Contigencies	4,400,000.00	-	-	-
Total	**53,810,000.00**	**177,293**	**177,293**	**-**

The notes on pages 6 to 9 are integral part of these project financial reports

Note:

The third party payments of **US$177,292.50** which are direct payments have been extracted from the total funds receipt and the total payments made.These are payments made on behalf of the project by the African Development Bank and thus required disclosures. These payments are available for review upon request by the auditors

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

In United States Dollars	December 2025	Decembe r 2024
Assets		
Cash and cash equivalent	-	-
Total Assets	-	-
Fund Balance		
Grants/Loan	-	-
Accumulated Fund Balance	-	-

29/06/26

Papin Daniels, Jr.
Director, Donor Financed Projects
PFMU, MFDP

29/6/26

Rawlings Baco Kesselly
Project Coordinator-MRU II
MoPW

The notes on pages 6 to 9 are integral part of these project financial reports

Note:

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NOTES TO FINANCIAL STATEMENTS

1. Background and Information of the Project

With support from the African Development Bank (AfDB); the MRU/RDFT Phase IIII - programme is to strengthen the sub regional integration and trade in Guinea, Liberia and Sierra Leone. The MRU/RDTF Phase IIII project was approved by the African Development Bank on **April 6, 2022** with a grant amount of USD 53.81 Million. The aims of the project are:
The Programme will comprise of the following four (4) Components:

1. **Upgrading Climate Resilience Road and Bridge & New Road Studies**
   i. Studies of the 27 km Gueekedou- Nongoa - SL border road section in Guinea
   ii. Studies of the 80 km Voinjama – Kolahun – mendikoma road section in Liberia
   iii. Studies of 90 km (Bo-Yele-Matokoka) road section in Sierra Leone;
   iv. Climate-resilient development and asphalting of the 25 km Kailahun-Koindu – Liberia and Guinea borders road section in Sierra Leone;
   v. Climate resilient construction of a 0.25 km bridge called the peace bridge over the Makona River (Moa) between Guinea and Sierra Leone;
   vi. Climate resilient reinforcement and asphalting of road section Putuken –John Davies Town (50km) in Liberia;
   vii. Works and environmental mitigation measures in the 3 countries;
   viii. Control and monitoring of works in the 3 countries
   ix. Awareness raising on HIV/AIDS, Ebola, gender-based violence, social mobilization, environmental protection, climate change nutrition and road safety, COVID-19 in the 3 countries; and
   x. Release of rights of way (expropriations) and monitoring of the implementation and environmental measures in the 3 counties.

2. **Integrated Support: This will include the following activities;**
   i. Construction of market in Koindu in Sierra Leone;
   ii. Construction of market and boreholes facilities in Liberia;
   iii. Support to 2 health centers;
   iv. Implementation of GAP in Sierra Leone ; and
   v. Empowerment and capacity building of farmers and SME's (including SME's) to better engage in commercial activities, assess climate risks and opportunities and deploy climate- smart agricultural practices in Liberia.

3. **Transport and Trade Facilitation**: This will include the following activities;
   i. Study on needs assessment of trade facilitation, including streaming of border and corridor procedures and processes of this Programme and development of transit zones;
   ii. Inter-agency coordination platform, sensitization, and training of customs officials; and
   iii. Technical Assistant support to Mano River Union Secretariat in Procurement
4. **Project Management**: This component will include the following activities:

i. Social economic impact monitoring/evaluation
ii. Monitoring the implementation of the Environmental and Social Management Plan (ESMP) including annual E & S performance and Programme compliance audit;
iii. Technical and Road Safety Audit;
iv. Accounting and Financial Audit;
v. Institutional support and professional training course for sector engineers and PIU;
vi. Equipment of the Implementing Agencies (Vehicles, Computer Equipment and Furniture)
vii. Functioning of the Implementing Agencies; and
viii. Functioning of the Joint Technical Committee (JTC)

2. Use of Grant Proceeds

The table below sets out the categories of items to be financed out of the grant proceeds, the allocation of the amounts of the grant to each category and the percentage of expenditures for items to be financed in each category:

Category	Amount of grant allocated expressed in US$	% of expenditure to be financed
Improvement Activities	46,100,600	100
Transport and Trade Facilitation	1,200,400	100
Institutional Support & Project Management	2,110,000	100
Contingencies	4,400,000	100
Total	**53,8110,000**	

All categories of expenditure shown in these financial statements are fully financed based on the percentage below:

	% of Expenditure
AfDB	100
Total	**100**

NOTES TO FINANCIAL STATEMENTS *(continued)* **8**

3. Significant Accounting Policies

Basis of accounting
The financial statements have been prepared in accordance with the Cash Basis International Public Sector Accounting Standards (IPSAS) as adopted by the Government of Liberia and in the manner required by the Project Agreement as required by the African Development Bank Policies and Procedures and PFMU's Financial Management manual.

Reporting currency
Financial reports have been presented in United States Dollars. Transactions denominated in other currencies are translated into United States Dollars and recorded at the rate of exchange ruling at the date of transactions. Balances denominated in other currencies are translated into United States Dollars at the rate of exchange prevailing on the reporting date.

Loan and Grant Receipts
Loan and Grant from donors for the MRU/RDTF Phase III project is recognized and reported in the Statement of Receipt and Payment as income when received and held in a bank account called Special income account for disbursement purposes. All payments for the MRU/RDTF Phase III project and activities are made from the special account.

Cash and bank balances
Cash consist of cash in hand and balance at bank.

Recognition of expenditure
All expenditures are expensed whether they are revenue or capital in nature and income is recognized when funds are received from the African Development Bank.

Tax
The project is 100 percent exclusive of tax.

In United States Dollars	**December 2025**	December 2024	Cummulative
4 Grant/Loan Receipt in SA			
ADF -Loan - 2100150042947-P-Z1-DBO-209	-	-	-
ADF -Loan - 2100155041470-P-Z1-DBO-209	-	-	-
ADF -Grant - 5900150003351-P-Z1-DBO-209	-	-	-
Total Funds received in DA	-	-	-
Third Party Payment			
ADF -Loan - 2100150042947-P-Z1-DBO-209	**177,293**	105,983	283,275
ADF -Loan - 2100155041470-P-Z1-DBO-209	-	35,000	35,000
ADF -Grant - 5900150003351-P-Z1-DBO-209	-	30,000	30,000
Total Third Party Payment	**177,293**	170,983	348,275
5 Improvement Activity			
Road Civil Works + ESMP	-	-	-
Implementation of resettlement Action Plan (RAP)	-	-	-
Supervision	-	-	-
	-	-	-
6 Transport & Trade Facilitation			
Design and Need Assessment Study for Trade Facilitation	-	-	-
Road Feasibility Studies and Detailed Design	**177,293**	75,983	253,275
Regional Coordination of Transport and Trade Facilitation	-	-	-
Construction of Market and Boreholes	-	-	-
	177,293	75,983	253,275
7 Institution Support & Project Management			
Support to Envbironmental, Socila and Gender Safeguards	-	-	-
Material and Logistical Support to PIU and AMCU	-	95,000	95,000
Professional Training Course for Sector Engineers, PIU & AMCU	-	-	-
M & E	-	-	-
Technical & Road Safety Audit	-	-	-
HIV/AIDs, Malaria, COVID-19, Ebola and Gender Sensitization	-	-	-
Financial & Accounting Audit	-	-	-

In United States Dollars	**December 2025**	December 2024	Cummulative
	-	95,000	95,000
7 Contigencies			
Physical Contigency (7%)	**-**	-	-
Price Contigency (3%)	**-**	-	-
	-	-	-
8 Cash receipts through grant and other Sources			
AfDB grant & Loan	**177,293**	170,983	348,275
9 Cash paid			
Improvement Activity	**-**	-	-
Transport & Trade Facilitation	**177,293**	75,983	253,275
Institution Support & Project Management	**-**	95,000	95,000
Contigencies	**-**	-	-
Total Payments	**177,293**	170,983	348,275

Note:

The third party payments of **US$177,292.50** which are direct payments have been extracted from the total funds receipt and the total payments made.These are payments made on behalf of the project by the African Development Bank and thus required disclosures. These payments are available for review upon request by the auditors

Account Number:	N/A
Account Type:	N/A
Depository Bank (s):	N/A
Address:	N/A

Currency: United States Dollar

	December 2025	December 2024
Total Grant/Loan Received	**177,293**	170,983
Total grant income reported	**177,293**	170,983
Amount spent	**177,293**	170,983
Balance as at beginning	**-**	-
Balance as at December 31, 2025	**-**	-
Closing Balance Consist of:		
Special Account	**-**	-
Petty Cash	**-**	-
	-	-

Disbursement Reconciliation Statement **Annex A**

Project Name: MANO RIVER UNION ROAD DEVELOPMENT & TRANSPORTATION PROGRAMME (MRU/RDTFP) 3
For the period ended December 31, 2025

Direct payments to contractors & consultants **Loan/Grant Number** 2100150042947

	Currency of Direct Payment(DP)		***USD***
1	***Disbursement request submitted to the Bank***	**Name of Consultant/Contractor**	
	Direct Payment- Request No. 0006	LEA Associates South Asia RVT Ltd	*88,646.25*
	Direct Payment- Request No. 0007	LEA Associates South Asia RVT Ltd	*88,646.25*
2	**Total disbursement request submitted**		**177,292.50**
3	***Disbursement made by the Bank to the Contractors & Consultants***		***USD***
	Direct Payment- Request No. 0006	LEA Associates South Asia RVT Ltd	*88,646.25*
	Direct Payment- Request No. 0007	LEA Associates South Asia RVT Ltd	*88,646.25*
	Total disbursement by the Bank		**177,292.50**
	Discrepancy *(2)* - *(3)* to be explained		-