Promoting Accountability of Public Resources

# AUDITOR GENERAL'S REPORT

**On the Financial Statements Audit of the Liberia Payments Infrastructure and System Upgrade Project (LPISUP)**

**Project ID: No. P-LR-H00-008**

**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 |
| CBL | Central Bank of Liberia |
| FCCA | Fellow Member of the Association of Chartered Certified Accountants |
| CFC | Certified Financial Consultant |
| CFIP | Certified Forensic Investigation Professional |
| GAC | General Auditing Commission |
| GoL | Government of Liberia |
| IA | Internal Auditor |
| ISSAI | International Standards of Supreme Audit Institutions |
| LRA | Liberia Revenue Authority |
| LPISUP | Liberia Payment Infrastructure and System Upgrade Project |
| PPC | Public Procurement and Concessions Act |
| PIU | Project Implementation Unit |
| INTOSAI | International Organization of Supreme Audit Institutions |
| IPSAS | International Public Sector Accounting Standards |
| ISSAI | International Standards of Supreme Audit Institutions |
| LRA | Liberia Revenue Authority |
| PFMU | Project Financial Management Unit |
| PIM | Project Implementation Manual |
| PIU | Project Implementation Unit |
| PPC | Public Procurement and Concessions Act |

**AUDITOR GENERAL'S REPORT**

June 24, 2026

Hon. Henry F. Saamoi
**Executive Governor**
Central Bank of Liberia
Ashmun & Lynch Streets
Monrovia, Liberia

**RE: AUDITOR GENERAL'S REPORT ON THE FINANCAL STATEMENT AUDIT OF THE LIBERIA PAYMENTS INFRASTRUCTURE AND SYSTEM UPGRADE PROJECT (LPISUP) FOR THE YEAR ENDED DECEMBER 31, 2025**

**Opinion**

We have audited the accompanying financial statements of the Liberia Payments Infrastructure and System Upgrade Project (LPISUP) as at December 31, 2025 financed by the African Development Bank (AFDB) Project ID: No. P-LR-H00-008 which comprises the Statement of Receipts and Payments, Statement of Comparison of Budget and Actual Amounts and a summary of other accounting policies and explanatory notes.

In our opinion, the accompanying financial statements Project ID: No. P-LR-H00-008 present fairly, in all material respects, the Statement of Receipts and Payments as at December 31, 2025, Statement of Comparison of Budget and Actual Amounts and a summary of other accounting policies and other explanatory notes for the fiscal year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Cash Basis of Accounting.

**Basis for Opinion**

We conducted our audit in accordance with 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 entity 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 (AFDB) Bank guidelines 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 concern 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 LPISUP Management is responsible for overseeing the Project's financial reporting process.

**Auditor's Responsibility**
Our objectives 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

**Statement of Project Management Responsibility**

The Project Financial Management Unit (PFMU) of the Ministry of Finance and Development Planning and the Project Coordinator for Liberia Payments Infrastructure and System Upgrade Project (LPISUP) 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 Liberia Payments Infrastructure and System Upgrade Project (LPISUP) 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 Liberia Payments Infrastructure and System Upgrade Project (LPISUP) 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 Liberia Payments Infrastructure and System Upgrade Project (LPISUP) 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 Liberia Payments Infrastructure and System Upgrade Project (LPISUP) 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 Liberia Payments Infrastructure and System Upgrade Project (LPISUP) on February 24th, 2026

## GENERAL INFORMATION

### PROJECT MANAGEMENT TEAM

| | |
|---|---|
| **Project Financial Management Unit:** | Papin Daniels, Jr, CA, CPA, CFE<br>Unit Director<br>Project Financial Management Unit (PFMU)<br><br>Leroy N. Fendor, CA, CPA<br>Deputy Director<br><br>Subozu Kollie, CFE, CA, CPA<br>Project Internal Auditor |
| **Registered Office:** | Project Financial Management Unit (PFMU)<br>Ministry of Finance<br>Broad and Mechlin Streets<br>Liberia |
| **Project Implementation Unit:** | Miatta O. Kuteh<br>Project Coordinator<br>Liberia Payment Infrastructure and System<br>Upgrade Project (LPISUP)<br><br>Fatu Gbedema<br>Project Manager |
| **Project Location:** | Central Bank of Liberia<br>Ashmun and Lynch Streets<br>Monrovia, Liberia |

**Statement of Receipts and Payments**
(All amounts are expressed in US dollars unless otherwise stated)
**January 1, 2025, to December 31, 2025**

| Receipts | Notes | Actual | Project Allocation |
|---|---|---|---|
| Direct Payments | 2 | 196,871 | 553,000 |
| **Total Disbursement** | | **196,871** | **-** |
| **Payments** | | | |
| Project Management | 3 | 196,871 | 553,000 |
| Automated Check Processing/Automated Clearing House (ACP/ACH) Upgrade | 4 | - | 1,154,659 |
| Real Time Gross Settlement (RTGS) | 5 | - | 743,000 |
| Data Centers Recovery Sites Servers and Systems) | 6 | - | 917,808 |
| Contingency (5%) | 7 | - | 504,278 |
| **Total Payment** | | **196,871** | **3,872,745** |

**Name of Director:** Papin Daniels **Name of Director:** Mvatta O. Kuteh

**Signature:** 26/06/26 **Signature:** 29-6-2026

**4.0 Statement of fund balance & cash status**
For the year ended December 31, 2025

| Description | Note | Amount (USD) |
|---|---|---|
| Opening fund balance | 9 | - |
| Add: Funds Receive During the Year | | 196,871 |
| **Total Available Funds for Operation** | | **196,871** |
| Less: Total Disbursement/ Payment during the year | | 196,871 |
| **Closing fund balance at year end** | | - |

**Note:**

**Note on Fund Balance and Cash Status**
The project commenced operations during the reporting year; therefore, the opening fund balance is nil. Funds received during the year represent the budgeted allocation for the year, as the project does not maintain a separate bank account but operates under the Direct Payment System of the African Development Bank (AfDB).

Total disbursements made by AfDB during the year have been recognized as project expenditure. The difference between the budgeted allocation and the actual disbursement is reported as the closing fund balance, reflecting the unutilized portion of the approved budget.

The notes presented on pages 7 to 9 form an integral part of the financial statements. They provide essential disclosures and explanations that support the figures reported and therefore must be read together with the financial statements to obtain a complete understanding of the project's financial position and performance.

**5.0 Comparison Statement of Budget and Actual Amounts**
For the Year Ended December 31, 2025

| Budget Line Item | Actual Expenditure (USD) | Project Allocation (USD) | Variance (USD) |
|---|---|---|---|
| Automated Check Processing/Automated Clearing House (ACP/ACH) Upgrade | - | 1,154,659 | - |
| Real Time Gross Settlement (RTGS) upgrade | - | 743,000 | - |
| Data Centers (including Disaster Recovery Sites | - | 917,808 | - |
| Project Management | 196,871 | 553,000 | 356,129 |
| Contingencies | - | 504,278 | - |
| | **196,871** | **3,872,745** | **3,675,874** |

**Note:**

- Project allocation amounts represent the total allocations approved for the entire project duration under the Project Grant Agreement.

- Actual expenditure reflects disbursements made directly by the African Development Bank (AfDB) under the Direct Payment System, rather than cash held by the project.

- Variance represents the unutilized portion of consultant remuneration. This amount corresponds to funds approved for project management components over the life of the project but not yet utilized within the reporting period.

**6.0 Statement of Financial Position**
As at December 31, 2025
**January 1, 2025, to December 31, 2025**

| Asset | Amount (USD) |
|---|---|
| Cash and Cash Equivalents | - |
| Total Assets | **196,871** |
| Fund Balance | - |

**Note on Opening and Fund Balance**
Cash and Cash Equivalents reflect funds available under the Direct Payment System (AfDB), not a separate project bank account.

Since this is the first year of project operations, the opening balance is nil. Likewise, the fund balance is nil because the project operates under the AfDB Direct Payment System. As a result, no actual cash is held or managed directly by the project.

**7.0 Notes to Financial Statements**

1. **Summary of Significant Accounting Policies**
   The significant accounting policies adopted in the preparation of these financial statements are outlined below:

**a) 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. Preparation also complies with the requirements of the Project Grant Agreement, the African Development Bank (AfDB) Operating Policies and Procedures, and the PFMU Financial Management Manual.

**b) Reporting currency**

The financial statements are presented in United States Dollars (USD). Transactions denominated in other currencies are translated into USD at the exchange rate prevailing on the transaction date. Balances denominated in foreign currencies are translated at the exchange rate applicable on the reporting date.

**c) Grant/Credit/Loan Receipts**

Donor funding for the LPISUP project (grants, credits, loans) is recognized as income in the Statement of Receipts and Payments upon receipt from AfDB. All project payments are executed directly by AfDB under the Direct Payment System.

**d) Cash and bank balances**

The project does not maintain a separate bank account. All disbursements are made through AfDB's Direct Payment System.

**e) Recognition of expenditure**

All expenditures, whether revenue or capital in nature, are expensed when incurred. Income is recognized only when funds are received from AfDB.

**f) Property, plant and equipment**

Property, plant, and equipment acquired for the project are recorded under the accounts of the Central Bank of Liberia (CBL), as purchases are made by CBL under Counterpart funding.

**NOTES (continued)**
(All amounts are expressed in United States Dollars)

## 2. Budget and Disbursement Overview

The total budgeted amount allocated to the project for its full duration is US$3.87 million, representing the overall financial commitment to support planned activities and objectives. This allocation reflects the resources approved under the Project Grant Agreement and serves as the financial framework within which the project is implemented.

As of the reporting period, total disbursements received from the African Development Bank (AfDB) under this project amounted to US$196,871. These disbursements represent actual funds transferred to finance consultants Services in line with approved procurement and implementation schedules. **Details of funds transfer are provided below:**

| | | Actual | Project Allocation |
|---|---|---|---|
| **3.** | **Project Management** | | |
| | Project Manager | 84,000 | 242,468 |
| | Financial Systems Specialist | 10,871 | 100,000 |
| | Project Accountant | 54,000 | 110,000 |
| | Procurement Specialist | 48,000 | 60,000 |
| | Specialized Consulting Firm for Financial Audit & Project Assessment Consultant | - | 40,532 |
| | **Total Disbursed** | **196,871** | **553,000** |
| 4. | **Automated Check Processing/Automated Clearing House (ACP/ACH) Upgrade** | | |
| | Clearing House and CBL Participant Migration | - | 685,631 |
| | Participant's Migration | - | 381,645 |
| | HSM Security | - | 87,383 |
| | **NOTES (continued)** | | |
| | **(All amounts are expressed in United States Dollars)** | - | **1,154,659** |
| **5.** | **1 Real Time Gross Settlement (RTGS)** | | |
| | License & Services - Analysis, Personalization, configuration | - | 531,000 |
| | Support and maintenance services fee | - | 164,500 |
| | Travel and Logistic - Hotel accommodation, airfare and per diem costs CMA Specialists; | - | 47,500 |
| | | **-** | **743,000** |
| 6. | **Data Centers Recovery Sites Servers and Systems) Upgrade** | | |
| | Main Data Centre & DR Site Upgrade | - | 917,808 |
| | | **-** | **917,808** |
| 7. | Contingency (5%) | **-** | **504,278** |

## 7a. Contingency Allocation

The project budget includes a contingency provision equivalent to five percent of the total cost, amounting to US$504,278. This contingency represents a price adjustment reserve allocated to safeguard the project against unforeseen circumstances such as cost escalations, inflationary pressures, or unexpected variations in procurement and implementation expenses.

**NOTES (continued)**
(All amounts are expressed in United States Dollars)

## 8. Property, plant, and equipment.

| No. | Date of Purchase | Description | Manufacturer's Series # | Total USD | Asset Code | Location/ Assigned | Condition |
|---|---|---|---|---|---|---|---|
| 1 | 13-Jan-25 | Lenovo | S/N-PWOCQKHH | 1,450 | CBL-EQ-1944 | Procurement Specialist - PIU | Good |
| 2 | 13-Jan-25 | Lenovo | S/N-PWOCQKES | 1,450 | CBL-EQ-1941 | Financial Systems Specialist - PIU | Good |
| 3 | 14-Jan-25 | Lenovo | S/N-PWOCQKMQ | 1,450 | CBL-EQ-1940 | Project Manager - PIU | Good |
| 4 | 13-Jan-25 | Lenovo | S/N-PWOCQKJO | 1,450 | CBL-EQ-1942 | Project Accountant - PIU | Good |
| 5 | 13-Jan-25 | HP MULTI | Color Laser Printer M479FDN | 1,350 | CBL-EQ-1943 | Project Office - PIU | Good |
| **Total** | | | | **7,150** | | | |

Property, plant, and equipment acquired for the project are recorded under the accounts of the Central Bank of Liberia (CBL), as purchases are made by CBL under Counterpart funding.