



Management Letter

On the Financial Statements Audit of the Liberia Urban Resilience Project (LURP)

For the year ended 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 & Meaning

Acronyms	Meaning
AG	Auditor General
ASU	Accounting Service Unit
CBL	Central Bank of Liberia
COBIT	Control Objectives for Information and Related Technology
COSO	Committee of Sponsoring Organization of the Treadway Commission
FCCA	Fellow Member of the Association of Chartered Certified Accountants
FY	Fiscal Year
GAC	General Auditing Commission
GOL	Government of Liberia
IAD	Internal Audit Department
IFMIS	Integrated Financial Management Information System
IPSAS	International Public Sector Accounting Standard
ISSAI	International Standards of Supreme Audit Institutions
IT	Information Technology
LD	Liberian Dollars
LRA	Liberia Revenue Authority
LURP	Liberia Urban Resilience Project
MFDP	Ministry of Finance and Development Planning
PFM Act	Public Financial Management Act of 2009
PFM Regulations	Public Financial Management Regulations of 2009
PFMU	Project Financial Management Unit
PIM	Project Implementation Manual
PMU	Project Management Unit
PPCA	Public Procurement & Concessions Act
PPCC	Public Procurement & Concessions Commission
USD	United States Dollars

June 29, 2026

Hon. Roland Layfette Giddings

Minister

Ministry of Public Works

Lynch Street

Monrovia, Liberia

Dear Hon. Giddings:

Management Letter on The Financial Statements Audit of the Liberia Urban Resilience Project (LURP) for the year ended December 31, 2025.

The financial statements of the Liberia Urban Resilience Project (LURP) 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 Terms of Reference.

Introduction

The financial statements of the Liberia Urban Resilience Project (LURP) for the audit the year January 1, 2025 to December 31, 2025 is being completed and the purpose of this letter is to bring to your attention the findings that were revealed during the audit.

Audit Scope and Determination of Responsibility

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). 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 financial statement presentation.

An audit also includes, 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 LURP Management. Our responsibility is to express our opinion on these financial statements.

Key Personnel of the project

During the period under audit, the following key persons of the LURP.

Name	Position	Tenure
Hon. Roland Layfette Giddings	Minister	2024-Present
Gabriel S. Flaboe Sr.	Project Coordinator	2023- Present
Joe S. Molue	Lead Project Engineer	2023- Present
Maxwell Pewee	Finance Officer	2023- Present
William Nyenu	Technical Adviser	2024-Present

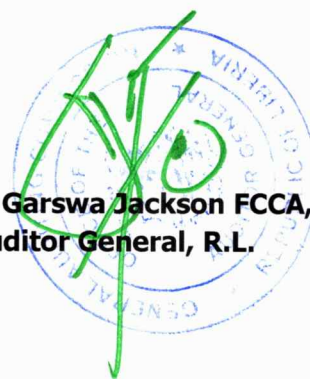
Thank you as we strive to promote accountability, transparency and good governance across the Government of Liberia.

APPRECIATION

We would like to express our appreciation for the courtesy extended and assistance rendered by the staff of the Liberia Urban Resilience Project (LURP).

Monrovia, Liberia
June 2026

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



1 DETAILED FINDINGS AND RECOMMENDATIONS

1.1 Governance

1.1.1 No Training and Development Plan

Criteria

1.1.1.1 The Committee of Sponsoring Organizations of the Tradeway Commission (COSO) states, that commitment to competence includes the level of knowledge and skill needed to help ensure orderly, ethical, economical, efficient and effective performance, as well as a good understanding of individual responsibilities with respect to internal control.

1.1.1.2 Additionally, the above can be evidenced by providing training, to raise the awareness of management and employees of the internal control objectives and, in particular, the objective of ethical operations, and helps them to understand the internal control objectives and to develop skills to handle ethical dilemmas.

Observation

1.1.1.3 During the audit, we observed no evidence that Management had a documented training and development plan for staff(s) of the entity.

1.1.1.4 Additionally, we observed the need for qualified staff(s) to various department within the entity including Asset Management, Fleet Management and Storeroom Management.

Risk

1.1.1.5 Lack of training and development plans may result in training programs not being able to address employees' training needs and performance deficiencies.

1.1.1.6 In the absence of an annual training plan, training may be conducted arbitrarily. This may impair the development plan and the required capacity of staff of the entity.

1.1.1.7 In the absence of periodic training/capacity-building initiatives, staff may not obtain the required capacity needed to achieve the objectives of the entity.

Recommendation

1.1.1.8 Management should develop, approve, and operationalize a comprehensive training plan that addresses the strategic capacity needs of the staff of the entity. The requisite training and capacity development plan for each unit should be identified and scheduled.

1.1.1.9 Management should facilitate the execution of the training and development plan consistent with the approved schedule, monitor output from training for adjustments to future annual training and development plans.

- 1.1.1.10 Evidence of annual capacity development plan should be adequately documented and filed to facilitate future review.

Management's Response

- 1.1.1.11 *The staff recruited in the PMU go through a competitive process and are consultants and as such they considered adequate for the services they performed for which they were recruited. The Project Coordinator had a meeting with the Task Team Leader (TTL) to provide specialized trainings for PMU consultants. The process is still ongoing. However, it's good to note that members of the PMU have been benefiting from foreign short-term trainings organized by the World Bank.*

Auditor General's Position

- 1.1.1.12 Management assertions did not adequately address the issue raised. The conduct of periodic training activities is not a substitute for a comprehensive training and development plan. The Training and Development Plan is an important instrument for capacity building initiatives that catalogues significant areas for improvement/ skills deficits, targeted training and associated institutions of learning, resources needed to implement planned annual capacity building initiatives and timelines for the execution of the planned activities. The development of this plan is cardinal in facilitating comprehensive and structured capacity building initiatives to address continuous development of staff capacity of the project. Therefore, we maintain our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.1.2 Lack of Audit Committee

Criteria

- 1.1.2.1 Regulation K.10 of the PFM Act of 2009 as amended and restated 2019 states that "the head of government agency or government organization shall in consultation with the internal audit governance board establish and maintain an audit committee for the government agency or organization for which he/she is responsible."
- 1.1.2.2 Further, Regulation K.11(1), (a) of the PFM Act of 2009 as amended and restated 2019 states that the Audit Committee of Government Agencies or Organizations shall review internal controls, including the scope of internal audit, internal audit Plans, internal audit findings, and recommend to the head of government agency the appropriate action to be taken.
- 1.1.2.3 Further, Regulation K.12. of the PFM Act of 2009 as amended and restated 2019 (1) Members of the Audit Committee shall be appointed by the Internal Audit Governance Board. (2) Membership of the Audit Committee shall consist of three or more persons as determined by the Internal Audit Governance Board, or any other enactment, each of whom shall satisfy independence, financial literacy and experience requirements and any other regulatory requirements. (3) The majority of the members of the Committee shall not be

full-time employees of the government agency or organization and may or may not be accountants or auditors by profession or experts in the fields of accounting or auditing. (4) In the case of a Government Agency or state-owned enterprise, at least one person shall be from outside the public service. (5) At least one Committee member shall be a designated "audit committee financial expert" who shall be an accountant or auditor by profession or expert in the fields of accounting or auditing. (6) The Committee's Chairperson shall be designated by the Board or, if it does not do so, the Committee members shall elect a Chairperson by vote of a majority of the full Committee. (7) The Committee may form and delegate authority to subcommittees when appropriate. (8) No committee member shall serve on the audit committees of more than three government agencies or organizations. (9) Committee members shall serve for a period of three years renewable for another period of three years only. (10) Committee members shall serve until their successors shall be duly elected and qualified. (11) Notwithstanding sub regulation 10, if a member ceases to be "independent", such person shall immediately resign as a Committee member.

Observation

- 1.1.2.4 During the audit, we observed no evidence that Management established an audit committee to monitor and address audit matters at the institution as required.

Risk

- 1.1.2.5 Audit issues and lapses identified in the entity's internal control system may not be appropriately monitored and addressed due to the lack of audit committee.
- 1.1.2.6 Internal and external audit recommendations may not be monitored and implemented in a timely manner.

Recommendation

- 1.1.2.7 Management should liaise with the relevant authority to establish a functional audit committee. The audit Committee should comprise of individuals with the relevant financial management and audit experience.
- 1.1.2.8 Evidence of periodic meetings minutes and activities reports should be adequately documented and filed to facilitate future review.

Management's Response

- 1.1.2.9 *The LURP project is implemented within the Ministry of Public Works. The project cannot have a separate audit committee. The LURP project has written the Comptroller of the Ministry of Public Works informing him of this audit recommendation. The LURP project is awaiting the Ministry for the establishment of the Audit Committee.*

Auditor General's Position

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

1.1.3 No Risk Assessment Policy

Criteria

- 1.1.3.1 Paragraph 17 of the Internal Integrated Framework, published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) indicates that in most cases, the board of head of public entity is ultimately responsible for determining whether management has implemented effective internal control including monitoring. The institution makes this assessment by (a) understanding the risks the organization faces and (b) Gaining an understanding of how senior management imagines or mitigates those risk that are meaningful to the organization objectives. Obtaining this understanding includes determining how management supports its beliefs about the effectiveness of the internal control system in those areas.

Observation

- 1.1.3.2 During the audit, we observed no evidence that Management had developed a risk management policy to guide internal and external risks that may impair the achievement of the project's objectives.
- 1.1.3.3 Moreover, this issue was raised during last audit but Management failed to address our findings and recommendations.

Risk

- 1.1.3.4 The absence of a Risk Management Policy may lead to management not being aware of potential risks that may impair the achievement of the project's objectives.
- 1.1.3.5 Potential risk to the entity may not be identified, assessed and mitigated/prevented in a timely manner thereby leading to the non-achievement of the project's objectives.

Recommendation

- 1.1.3.6 Management should develop, approve, and operationalize a risk management policy to guide internal and external risks that may impair the achievement of the project's objectives.
- 1.1.3.7 Subsequently, Management should facilitate the conduct of periodic risk assessment and take corrective action for gaps identified.
- 1.1.3.8 Evidence of approved risk management policy and periodic risk assessment reports should be adequately documented and filed to facilitate future review.

Management's Response

- 1.1.3.9 *Relative to the referenced query, we want to reiterate that, normally during the start of the audit, one of the documents requested by the audit team is the risk assessment report. This assertion by the auditor is both incorrect and misleading as a comprehensive risk assessment process is conducted annually with a risk assessment report developed each year for all projects, including LURP by the PFMU Internal Audit section. This report normally guides the internal and external risks that may impair the achievement of the project's objectives. This approved report is fully being operationalized and is consistent with the approved risk management policy.*
- 1.1.3.10 *Additionally, the risk profile of the Ministry of Public Works (MPW) is annually conducted by the assigned Internal Audit Agency's Audit Manager upon his/her placement at the Ministry. This assessment informs the formulation of their audit charter and work plan.*

Auditor General's Position

- 1.1.3.11 Management's assertions were not supported by documentary evidence. Copy of the approved risk management policy was not made available for audit purposes. The policy is essential for establishing a framework for comprehensive risk management activities including identification of key risks to the project, and measures to mitigate these risks to an acceptable level. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.2 Financial Reporting

1.2.1 Non-reconciliation between the Budget/Workplan Activities and the Economic Activities used for Financial Reporting

Criteria

- 1.2.1.1 Section 14 (2)(a) of the PFM Act of 2009 as amended and restated 2019 states: "All public financial transactions, both revenues and expenditures, are to be structured and classified using the same classifications for both budgeting and accounting. The following rules will apply:
- a) Where relevant, these classifications shall be designed to meet generally accepted international standards as defined in regulations issued pursuant to this Act. In the national budget or supplementary appropriations, budgetary classifications may be made for expenditures of a confidential nature. Details of such spending items will be promulgated in the regulations accompanying this Act".
- 1.2.1.2 Further, Regulation D.18 (1) of the PFM Act of 2009 as amended and restated 2019 states: "For the purposes of budgeting and accounting, the expenditures and other payments of Government agencies shall be classified by administrative/institutional unit responsible for spending, appropriated at spending agency level, and will be further classified according to economic classification structured around the following major categories of spending: (a)

Recurrent expenditures further subdivided by: (i) Wages, salaries and other allowances (ii) Goods and services (iii) Current subsidies and transfers (iv) Interest payments on debt (b) Acquisition of capital assets 43 (c) Lending (d) Equity participation (e) Repayment of external or domestic debt”.

Observation

- 1.2.1.3 During the audit, we observed that transactions per the general ledger and trial balance were prepared using economic classifications while the financial statements were prepared using programmatic classifications. However, we observed no evidence of reconciliation between the economic classifications and the programmatic classifications disclosed in the notes to the financial statements to facilitate effective reconciliation and review among the general ledger, trial balance, and subsequently the financial statements.

Risk

- 1.2.1.4 The completeness and accuracy of the financial statements may not be assured; therefore, the financial statements may be misstated.
- 1.2.1.5 Effective review and reconciliation of financial transactions and statements may be impaired.
- 1.2.1.6 Fair presentation and full disclosure of the financial statements may be impaired.

Recommendation

- 1.2.1.7 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. Alternatively, Management should include in the notes to the financial statements a reconciliation between the programmatic classification and the economic classification or at least disclose a detailed composition of each programmatic classification utilized in the preparation of the approved budget and workplan.
- 1.2.1.8 Management should facilitate routine training of data entry and preparation of financial statements for junior staff. This will ensure that financial statements prepared are reflective of the comprehensive and approved financial activities of the project. Financial statements should be prepared, reviewed and approved by individuals with the relevant qualification, experience and seniority. Management should also perform periodic reconciliation among the general ledger, trial balance, and the financial statements. Variances identified should be investigated and adjusted where applicable in a timely manner
- 1.2.1.9 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. Subsequently, an automated linkage should be created among the general ledger, trial balance, and the financial statements to facilitate completeness and accuracy of the financial statements.

Management's Response

- 1.2.1.10 *We acknowledge the audit team's observation. Management clarifies that financial statements were prepared using economic classifications within each programmatic category. This method categorizes expenditures programmatically while retaining economic classification details. Reconciliation among the trial balance, general ledger, and financial statements is straightforward and can be completed efficiently. Comprehensive supporting schedules link these records, enabling easy review and verification. Management is committed to transparency and will consider including detailed reconciliation schedules in future disclosures to improve clarity and support audits.*

Auditor General's Position

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

1.2.2 Delay in Project Implementation

Criteria

- 1.2.2.1 The LURP Project was approved by the Board of the World Bank Executive Directors on May 27, 2022 and became effective on February 28, 2023. The project is expected to close on June 30, 2028. The total cost of the project is US\$40 million. The project development objective (PDO) is to increase flood resilience and access to urban infrastructure in selected neighborhoods and to improve urban management in Liberia.
- 1.2.2.2 Section 11.8.2.2 of the LURP Project implementation manual requires the implementation of the following activities:
- Flood risk management and community upgrading infrastructure in priorities area of greater Monrovia
 - Community infrastructure investments in neighborhoods and market areas
 - Resilience integrated spatial planning, capacity need assessment and investment plans in greater Monrovia
 - Financing activities to increase the capacities of relevant stakeholders to collect spatial data and develop, maintain and update a climate resilience spatial development plan
 - Improve operations and maintenance of drainage and other hydraulic infrastructure to improve solid waste management system
 - Financing all expenses for project management and coordination compliance monitoring of social, environmental and safety standard, fiduciary management, and monitoring and evaluations of all operational expenses of the project.

Observation

- 1.2.2.3 During the audit, we observed that the implementation of the project activities under "Component 1 (Climate Resilient Infrastructure and Urban Upgrading, and Component 2 Strengthening Integrated Resilient Urban Development Capacity) had not been significantly implemented in accordance with approved work plan and budget.

- 1.2.2.4 Consequently, our review of the project annual approved budget and workplan indicated significant variance/under disbursement between approved budget and actual expenditure for the implementation of the project activities indicated above. **See table 2 below for details:**

Table 2: Delay in Project Implementation

COMPONENT 1- Climate Resilient Infrastructure and Urban Upgrading	Budgeted A US\$	Actual US\$ B	Variance US\$ C=(A-B)	(%) Var. D
1.1 Consultant Services	9,816,330.00	3,050,084.00	6,070,179.00	38.16
1.2 Operating Cost		67,084.00		
1.3 Works		628,983.00		
Total Component 1		3,746,151.00		
COMPONENT 2- Strengthening Integrated Resilient Urban Development Capacity				
2.1 Consultant Services	3,204,471.00	412,817.00	1,777,385.00	44.53
2.2 Operating Cost		29,252.00		
2.3 Training		56,984.00		
2.4 Goods		52,422.00		
2.5 Works		51,744.00		
Solid Waste Management Operations & Financing :Consultant Services		823,866.00		
Total Component 2	3,204,471.00	1,427,086.00	1,777,385.00	44.53
COMPONENT 3- Project Management				
3.1 Consultant Services	859,520.00	697,481.00	32,587.00	96.21
3.2 Operating Costs		129,451.00		
Total Component 3		826,933.00		

Risk

- 1.2.2.5 Project deliverables may not be implemented within the approved timelines. This may lead to increased overhead costs and non-achievement of project objectives.
- 1.2.2.6 Payments may be made for service not performed and value for money may be impaired.
- 1.2.2.7 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

- 1.2.2.8 Management should provide substantive justification why project deliverables have not been implemented consistent with approved timelines.
- 1.2.2.9 Going forward, Management should develop, approve and operationalize a work plan to facilitate the smooth implementation of service for all contractors. 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 the contractors and included as supplementary documentation to the approved contracts. Management should facilitate payments to contractors consistent with the approved work plan and payment terms.
- 1.2.2.10 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.
- 1.2.2.11 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

- 1.2.2.12 *LURP Management acknowledges the delays in implementing certain project deliverables and provides the following explanation. The Liberia Urban Resilience Project (LURP) is a complex, multi-sectoral infrastructure project that involves major investments in drainage, flood mitigation, and urban resilience in densely populated areas of Greater Monrovia. During implementation, several factors beyond the direct control of the Project Management Unit (PMU) adversely affected adherence to the original implementation schedule.*
- 1.2.2.13 *The primary cause of the delays was the underperformance and subsequent termination of the consultancy responsible for surveys, feasibility studies, preliminary and detailed engineering designs, and procurement support. This consultancy was a critical path activity, with several downstream project activities depending on it, including the preparation of bidding documents, the procurement of civil works, and the commencement of infrastructure construction. Following termination, the procurement and mobilization of a replacement consultant led to unavoidable delays in project implementation.*

- 1.2.2.14 *Additionally, stakeholder consultations and the preparation and approval of Environmental and Social Safeguard instruments are required under the World Bank Environmental and Social Framework (ESF). These activities are essential prerequisites for commencing civil works and are necessary to ensure compliance with both national regulations and World Bank requirements.*
- 1.2.2.15 *Procurement timelines were further affected by extended review periods for obtaining World Bank no-objections for key procurement packages and implementation decisions. While necessary to ensure transparency, value for money, and compliance with financing agreements, these processes contributed to delays in contract awards and mobilization.*
- 1.2.2.16 *The project also faced financing constraints due to significant increases in construction costs compared with estimates developed during project preparation. As a result, the project has initiated discussions on restructuring and additional financing to ensure the intended project outcomes can be achieved.*
- 1.2.2.17 *Despite these challenges, LURP Management has undertaken several corrective actions, including:*
- 1.2.2.18 *Engaging a replacement consultant to complete outstanding studies and detailed designs; Updating and reprioritizing the Procurement Plan and implementation schedule; Strengthening coordination with the World Bank, the Ministry of Finance and Development Planning, and other key stakeholders;*
- 1.2.2.19 *Accelerating procurement for priority civil works and supervision services; Enhancing monitoring and reporting mechanisms to improve implementation performance; Initiating discussions on project restructuring and additional financing to address funding gaps.*
- 1.2.2.20 *As a result of these interventions, implementation progress has improved significantly, with project disbursement increasing from approximately 14 percent to 31 percent. Disbursement is projected to exceed 40 percent by June 2026 and may surpass 50 percent by the end of 2026. The PMU remains committed to accelerating implementation and achieving the Project Development Objective within the revised implementation framework.*

Management Action:

- 1.2.2.21 *The PMU will continue to closely monitor implementation milestones, expedite procurement and contract management activities, strengthen coordination with stakeholders, and pursue additional financing and restructuring measures necessary to ensure the timely delivery of project outputs and outcomes.*

Auditor General's Position

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

1.2.3 Irregularities Associated with Bank Reconciliations

Criteria

- 1.2.3.1 Regulation R3 of the PFM Act of 2009 as amended and restated in 2019 states: "The balance of every bank account as shown in a bank statement shall be reconciled with the corresponding cashbook balance at least once every month, and the reconciliation statement shall be filed or recorded in the cash book or the reference to the date and number thereof."
- 1.2.3.2 Section 7.1.1 (e & f) of the Financial Procedure Manual, Project Financial Management Unit of February 2020 states that "The bank statements entries will be compared monthly with the cash book entries. Any differences discovered will promptly be taken up. The cash book shall be reconciled with the bank statements monthly and the bank reconciliation statements shall be reviewed and verified by the Project Internal Auditor and approved by the PFMU Manager or Senior Project Accountant".

Observation

- 1.2.3.3 During the audit, we observed that monthly bank reconciliation statements prepared by the PFMU did not show the signature and date of the approver on the monthly bank reconciliation statements. **See Table 5 for details.**

Table-5: Irregularities Associated with Bank Reconciliations

No.	Bank	Account Title	Account No.	Period for preparation of bank reconciliation statement without name and position
1	Eco Bank Liberia Limited	Liberia Urban Resilience Project -USD	6101924782	October-December, 2025

Risk

- 1.2.3.4 The lack of the signature and date of the approver of bank reconciliation statements may not reveal the level of experience and seniority of the approver.
- 1.2.3.5 Segregation of duties, checks and balances over the preparation of the monthly bank reconciliation statements may be impaired.

Recommendation

- 1.2.3.6 Management should indicate the signature and date of the approver of the bank reconciliation statements in line with the PFMU Financial Procedure Manual and PFM Regulation.

- 1.2.3.7 Evidence of approved monthly bank reconciliation statements should be adequately documented and filed to facilitate future review.

Management's Response

- 1.2.3.8 We acknowledge that the monthly bank reconciliation statements prepared by the PFMU did not bear the approver's signature or date. Management clarifies that this was an unintentional oversight. Once identified, we took immediate action to ensure all future bank reconciliation statements are reviewed, signed, and dated by the authorized approver, following internal control procedures. We remain committed to maintaining robust financial controls and compliance with best practices to strengthen accountability and transparency. See attached Exhibit I: Corrected Bank Reconciliation Statements.

Auditor General's Position

- 1.2.3.9 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 Personnel Management

1.3.1 No Evidence of Taxpayer Identification Number (TIN)

Criteria

- 1.3.1.1 Section 53 of the Revenue Code of Liberia of 2000 as amended in 2011, states If tax withholding is required on a payment, and the payment amount is \$1,000 or more, a withholding agent who makes a payment to a person who has not supplied a TIN is liable to pay a fine of 5,000 or the amount of the tax required to be withheld, whichever is less.

Observation

- 1.3.1.2 During the audit, we observed no evidence of TIN number for consultants' withholding tax being withheld by Management for subsequent remittance to the LRA. **See table 6 below for details:**

Table 6: No Evidence of Taxpayer Identification Number (TIN)

No	Name	Position	Monthly Salary \$USD	Tax (10%) \$USD	Tin Number	Net \$USD	Account Number	Bank Name
1.	Consultant	Lead Civil Engineer	4,250.00	425.00	N/A	3,825.00	6101707732	Ecobank
2.	Consultant	Communication & Engagement Specialist	3,000.00	00.00	N/A	2,700.00	6101689122	Ecobank
3.	Consultant	Procurement	8,500.00	1,275.00	N/A	7,225.00	6101931662	Ecobank

No	Name	Position	Monthly Salary \$USD	Tax (10%) \$USD	Tin Number	Net \$USD	Account Number	Bank Name
		Specialist						
4.	Consultant	Project Coordinator	6,000.00	600.00	N/A	5,400.00	01521851375060102	IB
5.	Consultant	Finance Officer	3,000.00	300.00	N/A	2,700.00	01521851375080102	IB
6.	Consultant	Junior IT/Digital Communication Specialist	2,325.00	232.50	N/A	2,092.50	53070500045926	UBA
7.	Consultant	Civil Engineer	3,238.00	323.80	N/A	2,914.20	53070500123976	UBA
8.	Consultant	Special Safeguards & Gender Specialist	3,500.00	350.00	N/A	3,150.00	53030500421331	UBA
9.	Consultant	GIS Advisor	3,300.00	330	N/A	2,970.00	N/A	N/A
Grand Total			37,113.00	3,836.3	N/A	32,972.70		

Risk

- 1.3.1.3 Management may be non-compliant with Section 53 of the Revenue Code of Liberia Act of 2000 as amended in 2011 which may result in to penalties and fines.
- 1.3.1.4 Effective identification of tax payers, reconciliation of the required tax payments and compliance monitoring of the LRA may be impaired.

Recommendation

- 1.3.1.5 Management should liaise with the relevant authorities at the LRA to obtain tax identification numbers (TINs) for all consultants. The respective TINs should be recorded on the withholding tax payments of all consultants to facilitate effective recording and monitoring of tax payments for consultants by the LRA.
- 1.3.1.6 Evidence of TINs obtained for consultants should be adequately documented and filed to facilitate future review.

Management's Response

- 1.3.1.7 *The PMU staff have filled in the Liberia Revenue Authority (LRA) form for individual TIN. The PMU staff awaits the LRA to issue these TINs.*

Auditor General's Position

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

1.3.2 Irregularities Associated with Employees Attendance

Criteria

- 1.3.2.1 Additional, Section 11.54, of the Project Implementation Manual requires that, the PMU working week is set at 40 hours. Daily working hours are from 8:00 am to 17:00 p.m. including a one-hour lunch break. It should be pointed out that PMU staffs are expected to make themselves available in order to meet exigencies of service and the needs. All public holidays observed by the Liberian Government are applicable to the PMU staff. Staffs are required to sign in and out in the attendance register. Unless for medical reasons, staff may only be absent from work with the prior consent of their direct supervisors and the project lead.

Observation

- 1.3.2.2 During the audit, we observed that staffs did not sign the attendance logs at the start and end of the work day. We observed instances where staff signed in but did not sign out at the end of day. **See Tables 7a, 7b, 7c, 7d, 7e 7f & 7g for details.**

Table 7 a: Irregularities with Employees Attendance

No.	Consultant Name	Position	Signing Inn	Signing Out	Date	Comment
1.	Aaron Weaye	M&E Specialist	Yes	No	May 2,5,7,12,28,29, 30 June 5,10,12,16,17,24,27,30 July 14,22,25,28,29,31 September 11,30 October 1,14,20,22,24, 28,29 December 11,18,19,23,29,	No evidence that the Consultant sign out for several Months.

Table 7 b: Irregularities with Employees Attendance

No.	Consultant Name	Position	Signing Inn	Signing Out	Date	Comment
2.	Enerst Giko	Civil Engineer	Yes	No	May 7,8,13,15,20,21,22, June 11,13,18,27,30 September 5,19,	The consultant exhibited persistent non-compliance with official working hours, including repeated early sign-

No.	Consultant Name	Position	Signing Inn	Signing Out	Date	Comment
					October 6,24,28, November 3,21,27, December 5,16,23,29	outs and failure to sign out in multiple instances over several months.

Table 7 c: Irregularities with Employees Attendance

No.	Consultant Name	Position	Signing Inn	Signing Out	Date	Comment
3.	Eugene Caine	Solid Waste Specialist	Yes	No	May 8,9,13,16,19,21,30 June 2,9,10,13,16,17,18,19,20,23,24,25,26,30 July 2,11,25,28,31 September 18,25,30 October 21,31 December 3,11,15,16,17,18,19,30	The consultant exhibited persistent non-compliance with official working hours, including repeated early sign-outs and failure to sign out in multiple instances over several months.

Table 7 d: Irregularities with Employees Attendance

No.	Consultant Name	Position	Signing Inn	Signing Out	Date	Comment
4.	Moiwai Akoi	GIS Advisor	Yes	No	June 16,17,30 July 3,8, September 1,19, October 3,13,24,29,30,31 November 12,28	No evidence that the Consultant sign In and out for several Months.

No.	Consultant Name	Position	Signing Inn	Signing Out	Date	Comment
					December 3,4,5,17,	

Table 7 e: Irregularities with Employees Attendance

No.	Consultant Name	Position	Signing Inn	Signing Out	Date	Comment
5.	Jutomue S. Flomo	Social Safeguard Specialist	Yes	No	July 21,31 October 31 November 21,22,25,26,27,28 December 23,	No evidence that the Consultant sign In and out for several Months.

Table 7 f: Irregularities with Employees Attendance

No.	Consultant Name	Position	Signing Inn	Signing Out	Date	Comment
6.	Akernuyea N. Korkpan	Grievance Officer	Yes	No	December 3,12,23,29,	No evidence that the Consultant sign In and out for one Month.

Table 7 g: Irregularities with Employees Attendance

No.	Consultant Name	Position	Signing Inn	Signing Out	Date	Comment
7.	Taylor Farley	Junior Engineer	Yes	No	July 15,18,23,25,28,31 September 2,4,15,18,19,26,29,30 October 1,3,6,9,17,27,30,31 November 3,4,12,27,28 December 29	No evidence that the Consultant sign In and out for several Months.

1.3.2.3 Additionally, we observed no evidence that the daily attendance logs were adequately supervised or monitored by a designated staff.

1.3.2.4 Further, Personnel are processed on the payroll without reference to the signed daily attendance logs.

Risk

- 1.3.2.5 Failure to monitor and supervise personnel attendance records may result to compensation of non-deserving employees. This practice may cultivate an inappropriate work culture at the entity and may subsequently impair the operations and performance of the entity.
- 1.3.2.6 The absence of an accurate attendance log to monitor staff on a daily basis may lead to ghost or undeserving staff being compensated. This may also lead to salaries being paid for work not performed.

Recommendation

- 1.3.2.7 Management should ensure that all staff sign the daily attendance records. The daily attendance sheet should include the following columns: name of employee, department, position, signatures and time for in and out periods.
- 1.3.2.8 Management should conduct periodic spot checks to ascertain the authenticity of the attendance records. The attendance records including spot checks records should be adequately documented and filed to facilitate future review.
- 1.3.2.9 Management should ensure that personnel attendance records are regularly monitored by a designated staff and that employees should be reprimanded in line with the entity's employees' handbook for failing to report to work.

Management's Response

- 1.3.2.10 *The LURP project has lot of field activities. Staff often go to work on the fields and in these cases at times will not sign out. This does not mean that these staff are not coming to work regularly and performing their tasks. The PMU, however, takes note and will make sure PMU staff sign in and out of the daily attendance going forward.*

Auditor General's Position

- 1.3.2.11 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 Expenditure Management

1.4.1 Third-Party Payments made to Employees of the Entity

Criteria

- 1.4.1.1 Regulation B.28 of the PFM Act of 2009 as Amended and Restated 2019 states that "A payment shall be made only to the person or persons named on the payment voucher or to their representatives duly and legally authorized in writing to receive the payment".

- 1.4.1.2 Additionally, Section 6.4.1 of the Financial Procedures Manual Revised 2020 (PFMU) of states" All Payment vouchers and checks shall be written in the name of beneficiary that appears on the supporting documents.

Observation

- 1.4.1.3 During the audit, we observed that Management made several payments to employees of the entity rather than making direct payments to service providers or their legally authorized representatives. **See table 9 below for details:**

Table 9: Third-Party Payment made to Employee of the Entity

Date	Payee	PV No	Check No	Amount: US\$	Comment
11/09/2025	Samson Z. Wonnah	LURP/2025/138	463311	335.00	Transportation for the Journalists and community Leaders invited to attend the turnover ceremony of assorted hand tools to selected project communities.
20/02/2025	Samson Z. Wonnah	LURP/2025/019	339740	300.00	Transportation for media personnel invited to cover turnover ceremony of the fire suppressant concentrate to MCC
21/02/2025	Maxwell Pewee	LURP/2025/020	339739	5,525.00	DSA and transportation allowance to facilitate community engagement and consultation activities
Total				6,160.00	

Risk

- 1.4.1.4 Paying cash to employee for subsequent disbursement to vendors may facilitate misappropriation of funds.
- 1.4.1.5 This practice may also lead to Management override of the procurement processes by completing disbursement without facilitating due procurement processes.

Recommendation

- 1.4.1.6 Management should initiate and complete all procurement processes as required by the PPCC and the Public Financial Management Act.
- 1.4.1.7 All payments for goods and services procured by the entity should be made directly to the vendor or their legally authorized representative.

- 1.4.1.8 Alternatively, Management should utilize the mobile money platform by transferring funds directly to vendors while maintaining the relevant source and supporting documentations.

Management's Response

- 1.4.1.9 *It's good to note that expenditure reports (liquidation reports) were provided for these payments termed 'third party-payments'. These liquidation reports were even seen by the General Auditing Commission (GAC) Auditors. The nature of these payments made it difficult to avoid the third-party payment method, for example the US\$5,525 was payment for community engagements to over 800 participants. The PFMU couldn't afford to write US\$5.00 checks to each participant meant for transportation reimbursement.*

Auditor General's position

- 1.4.1.10 Management's assertion did not adequately address the issues raised and is non-compliant with Regulation B.28 of the PFM Act of 2009 as Amended and Restated 2019. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.4.2 Irregularity Associated with Travel Expenditure

Criteria

- 1.4.2.1 Section 11.1 of the GOL Revised travel Ordinance FY 2025 states that Upon return, officials are required to submit a Back to office Report to Financial Regulations Unit of the MFDP, Evidence of this report shall include:
- I. An attestation from the appropriate authority (eg. The Ministry of State for Cabinet Ministers; The Head of Entity for Deputy and Assistant Minister, The Speaker for members of the House of Representatives; The President Pro Tempore for members of the Senate; or the Court Administrator for Members of the Judiciary);
 - II. The Completed travel settlement form (Annexure 11)
 - III. Copies of certificates for workshops, seminars etc.

Observation

- 1.4.2.2 During the audit, we observed no evidence of a completed travel settlement form attached to the voucher supporting the travel expenditure. **See table 10 below for details:**

Table 10: Irregularity Associated with Travel Expenditure

PV Date	PV No	CHQ No	Amount: US\$
08/08/2025	LURP/2025/114	463303/331751/331752	12,888.00
Total			12,888.00

Risk

- 1.4.2.3 Non-compliant with the national travel ordinance or the entity's approved travel ordinance where applicable may lead to misappropriation of public funds.

- 1.4.2.4 Travel expenditures not appropriately retired/accounted for may lead to misappropriation of the entity's funds.

Recommendation

- 1.4.2.5 Management should ensure that all incidental allowances should be duly retired/accounted for through the filing and subsequent approval of the travel settlement form. The form should be accompanied by original copies of receipts and travel activities reports to justify the regularity of the transactions.
- 1.4.2.6 Evidence of all travel expenditures records including approved travel settlement forms, original copies of receipts and travel activities reports should be adequately documented and filed to facilitate future review.

Management's Response

- 1.4.2.7 *The aforementioned travel payment was made with all the requisite supporting documents as required by the donor financial management requirements relative to travel. At no time are travel payments authorized or executed without proper documentation before and after the travel, which include payment vouchers, No Objection (for foreign travel), incidental receipts (upon return), accommodation receipts (upon return), back-to-office reports (upon return), and other relevant supporting documents. We resubmitted the payment voucher again for the auditor's review. See attached Exhibit III: Payment Vouchers with Relevant Supporting Documents*

Auditor General's Position

- 1.4.2.8 Management's assertions were not supported by documentary evidence. Copy of the approved completed travel settlement form was not made available for audit purposes as requested. Therefore, we maintain our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.5 Fixed Assets Management

1.5.1 Irregularities Associated with Fixed Asset Management

Criteria

- 1.5.1.1 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."
- 1.5.1.2 Section 9.3.1-3 of the PMU OPERATIONS MANUAL VOLUME I –ADMINISTRATION AND FINANCE states, 9.3.1 "Asset Tag Number (ATN) shall be uniformly placed on similar types

of fixed assets in a visible spot on the asset, but in a manner that will not mar the appearance of the asset. The following locations are examples for placing Asset Tag Numbers: 9.3.2 Asset Tag Number (ATN) must be established to indicate the user, type, asset class, location, etc. ATN for vehicles are assigned by the General Services Agency (GSA) and by the PMU/PIUs for all other fixed assets. 9.3.3 ATN must be placed on any fixed asset item before issuing it to the user. The issue of fixed assets without assigning and placing ATN on them is strictly forbidden”.

Observation

1.5.1.3 During the audit, we observed the following irregularities associated with the fixed assets management system:

- The fixed assets register was not regularly updated. Some fixed assets were damaged but their values were still on the book.
- Some fixed assets of the entity were not coded.
- There was no evidence of periodic physical verification of fixed 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.

See Tables 11a, 11b, 11c, 11d and 11e below for details.

Table 11 a: Irregularities Associated with Fixed Asset Management

No.	Consultant Name	Position	Asset	Code	Serial Number	Amount	Comment
1.	Akoi Moiwai	GIS Advisor	Dell	Not coded	Latitude 5540	N/A	Asset not coded, amount not stated
2.	Taylor Farley	Junior Engineer	HP	Not Coded	8cg5122j2z	N/A	Asset not coded
3	Jutomue S. Flomo	Social & Gender Specialist	Dell	Not Coded	N/A	N/A	Asset Not Coded

Table 11 b: Irregularities Associated with Fixed Asset Management

No.	Asset Description	Asset Condition	Asset Assigned To Unit	Code	Amount \$	Comment
1.	Total Station	New	MCC Urban Planning	Not coded	4,800.00	Asset verified but not coded
2.	Dumpy Level	New	MCC Urban Planning	Not coded	1,200.00	Asset verified but not coded
3.	Drone	New	MCC Urban Planning	Not coded	860.00	Asset verified but not coded
4.	Drone	New	MCC Urban Planning	Not coded	860.00	Asset verified but not coded

No.	Asset Description	Asset Condition	Asset Assigned To Unit	Code	Amount \$	Comment
5.	Tablet	New	Revenue Unit	Not coded	190.00	Asset verified but not coded
6.	Tablet	New	Revenue Unit	Not coded	190.00	Asset verified but not coded
7.	Tablet	New	Revenue Unit	Not coded	190.00	Asset verified but not coded
8.	Tablet	New	Revenue Unit	Not coded	190.00	Asset verified but not coded

Table 11 c: Irregularities Associated with Fixed Asset Management

No.	Asset Description	Asset Condition	Asset Assigned To Unit	Code	Amount \$	Comment
1.	Total Station	New	MCC Urban Planning	Not coded	4,800.00	Asset verified but not coded
2.	Dumpy Level	New	MCC Urban Planning	Not coded	1,200.00	Asset verified but not coded
3.	Drone	New	MCC Urban Planning	Not coded	860.00	Asset verified but not coded
4.	Drone	New	MCC Urban Planning	Not coded	860.00	Asset verified but not coded
5.	Tablet	New	Revenue Unit	Not coded	190.00	Asset verified but not coded
6.	Tablet	New	Revenue Unit	Not coded	190.00	Asset verified but not coded
7.	Tablet	New	Revenue Unit	Not coded	190.00	Asset verified but not coded
8.	Tablet	New	Revenue Unit	Not coded	190.00	Asset verified but not coded

Table 11 d: Irregularities Associated with Fixed Asset Management

No.	Consultant Office	Asset Damage/Verified	Asset	Code	Serial Number	Asset Amount	Comment
1.	Finance/IT Office	Yes	HP Ink Tank Wireless 415 Printer	MPW-LURP-IT/PR/003	CN25A7D20A	\$ 399.00	Asset damage but still capture on the book
2.	EMS Office	Yes	HP Ink Tank Wireless 415 Printer	MPW-LURP-IT/PR/004	CN25A9D2Q8	\$ 399.00	Asset damage but still capture on the book

No.	Consultant Office	Asset Damage/Verified	Asset	Code	Serial Number	Asset Amount	Comment
3	Procurement Office	Yes	HP Canon iR2425i Printer	MPW-LURP-IT/PR/006	(21)28J18122	\$2,400.00	Asset damage but still capture on the book
4	ESM Office	Yes	ThinkPad Lenovo	MPW-LURP-IT/LT/006	PF3TVE9Y	\$1,560.00	Asset damage but still capture on the book
5	Project Coordinator Office	Yes	Ink Tank Wireless 415 Printer HP	MPW-LURP-IT/PR/002	CN25A0D2QP	\$399.00	Asset damage but still capture on the book

Table 11 e: Irregularities Associated with Fixed Asset Management

No.	Name of Institution	Name of Asset	Asset Code	Serial Number	Asset Cost \$	Asset Acquired Date	Comment
1.	Ministry of Public Work	100 KVA Generator	MPW-LURP-EQ-PWR-01	YC/YCLL A180F	N/A	N/A	No evidence of Asset Cost and acquired date on the FAR
2.	Ministry of Public Work	Hybrid Inverter	MPW-LURP-EQ-PWR-02	2504142 197	N/A	N/A	No evidence of Asset Cost and acquired date on the FAR
3	Ministry of Public Work	Combiner Box	GS2025020520 01	GS20250 2052001	N/A	N/A	No evidence of Asset Cost and acquired date on the FAR
4	Paynesville City Corporation	Solar Panel, Inverter, Battery 100A 48V, Control Box	LURP-PCC-PWR - 01	N/A	26,300.00	N/A	No evidence of serial number, acquired date.
5	Paynesville City	Drone	LURP-PCC/IT/DR/01	N/A	\$ 860.00	N/A	No evidence of serial

No.	Name of Institution	Name of Asset	Asset Code	Serial Number	Asset Cost \$	Asset Acquired Date	Comment
	Corporation						number and acquired date.
6	Paynesville City Corporation	GPS	LURP-PCC/IT/GPS/02	N/A	\$ 945.00	N/A	No evidence of serial number and acquired date.
7	Monrovia City Corporation	HP ProLiant DL360, IT Equipment	LURP-MCC/IT/SRV/001	N/A	\$ 18,500.00	10-Mar-25	No evidence of serial number
8	Monrovia City Corporation	HP DesignJet	LURP-MCC/IT/PR/002	N/A	\$ 2,100.00	10-Mar-25	No evidence of serial number
9	Monrovia City Corporation	Excavator	LURP-MPW/MCC-EQ-01	No Plate Number	\$ 198,000.00	10-Sept-25	No evidence of plate number
	Monrovia City Corporation	Crawler Dozer	LURP-MPW/MCC-EQ-02	No plate number	\$ 333,800.00	10-Sept-25	No evidence of plate number

Risk

- 1.5.1.4 Fixed Assets may be misstated (Over/understated).
- 1.5.1.5 Fixed Assets may be damaged or impaired but their values are still on the books.
- 1.5.1.6 Fixed Assets may be removed from the entity's premises without authorization, misappropriated, subjected to personal use or theft.
- 1.5.1.7 Fixed Assets not coded may be susceptible to theft or diverted to personal use.
- 1.5.1.8 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.
- 1.5.1.9 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.

Recommendation

- 1.5.1.10 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.
- 1.5.1.11 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.
- 1.5.1.12 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.
- 1.5.1.13 The Fixed Assets Register should be updated periodically to reflect all the entity's assets.
- 1.5.1.14 Fixed Assets within a particular vicinity should be clearly displayed as required by the PFM Act.
- 1.5.1.15 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

- 1.5.1.16 *The LURP project maintained a fixed asset register of all assets bought. The updated asset register was presented to the auditors. The LURP project, in the form of capacity building provided equipment for MCC and PCC and 100KVA solar power system for the Ministry of Public Works. The equipment for MCC and PCC were coded. The 100KVA solar power comprises of hundreds of solar power plates on top of the building. These plates couldn't be coded, but they were verified by the PFMU before placing them on the roof top. Besides, the system was bought as a set. The LURP project will make a follow-up on those assets that, according to the General Auditing Commission (GAC), were not coded at both the MCC and PCC to ascertain the reasons why these assets have no codes.*

Auditor General's Position

- 1.5.1.17 Management's assertions did not adequately address the issues raised relative to the following:
- The fixed assets register was not regularly updated to reflect the status of damaged fixed assets. Some fixed assets were damaged but their current values were still on the book.
 - There was no evidence of periodic physical verification of fixed 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.
- While Management promised to corroborate the fixed assets labeled not coded, we maintain that during the time of our physical verification (May 2026), fixed assets cataloged in Tables 11a, b, & c were not coded.

1.5.1.18 Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.6 Inventory Management

1.6.1 Irregularities Associated with Inventory Management System

Criteria

1.6.1.1 Regulation U.7 (2) of the PFM Act of 2009 as amended and restated in 2019 requires that notwithstanding sub-regulation (1), a head of Government Agency is responsible for the general management of government inventories held within the Government Agency and for the due performance of the duties of subordinate staff in relation to the government inventories.

1.6.1.2 Additionally, Paragraph 9.4.4 (a, b, c & d) of the PFMU Financial Procedural Manual State's, Annually the Project Manager of the implementing units, through the PFMU Manager shall issue guidelines for stocktaking including date and procedures. (b) The project implementing units shall conduct a physical stock verification exercise at least twice in a year. The exercise shall be supervised by the Internal Auditor to ascertain the existence, custody, and general status of the stores items. (c) The result of the stock verification exercise shall be reconciled with the balances in the stores and the stores ledger in the PFMU, and differences if any will be investigated. (d) Necessary correcting entries shall thereafter be passed in the records in the stores and in the PFMU records.

Observation

1.6.1.3 During the audit, we observed the following irregularities associated with the inventory management system:

- No evidence of approved policy to regulate inventory management of the entity.
- Inventories were not stored in secured custody. The warehouse was not protected by a metallic door.
- Inventories were not systematically arranged on shelves and comprehensively labelled.
- No evidence of periodic physical verification of inventories/stock take.
- No evidence of manual or automated inventory management system comprehensively cataloging the following: goods ordered, goods received, goods requested, goods distributed, current running balance and buffer (minimum request before reordering) inventories/ stationery & supplies level established for each class of inventory/ stationery & supplies.

Risk

- 1.6.1.4 Inventories may be procured, stored, distributed and reported on a discretionary basis in the absence of a policy.
- 1.6.1.5 Inventory may be susceptible to theft if kept in an unsecured custody.
- 1.6.1.6 Inventory may be susceptible to damage or misappropriation if stored in an inappropriate environment.
- 1.6.1.7 Inventory may not be duly accounted for in the absence of a comprehensive inventory management system and non-performance of periodic physical verification.
- 1.6.1.8 Inventory may be misappropriated leading to decline in operational activities.

Recommendation

- 1.6.1.9 Management should develop, approve and operationalize an inventory management policy to regulate inventory management of the entity. The policy should comprehensively catalog provisions for ordering, storing, distributing and recording of inventories/ stationery & supplies and the nature and timing of stock-take/ physical verification of inventories/ stationery and supplies.
- 1.6.1.10 Management should develop and operationalize an automated inventory management system to facilitate and ensure accurate records of inventories such as; purchases, distribution, current stock balance, reordering level, stock-out level etc.
- 1.6.1.11 Inventory should be stored in secured custody/warehouse protected by a metallic door and access granted only to authorized personnel at all times.
- 1.6.1.12 Inventory should be systematically arranged on shelves, comprehensively and systematically labelled to facilitate effective monitoring, evaluation and recording of inventories.
- 1.6.1.13 Management should perform periodic physical verification of inventory and review of systems and records. Appropriate adjustments should be made where applicable.
- 1.6.1.14 Evidence of approved policy, and all other inventory records including records of periodic stock takes, should be adequately documented and filed to facilitate future review.

Management's Response

- 1.6.1.15 *The PMU has recently renovated an office where these inventories are currently kept. During the audit, the office was under renovation. It has been completed and it's housing these inventories.*

Auditor General's Position

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

1.7 Field Verification

1.7.1 Non-Maintenance of Drainages

Criteria

- 1.7.1.1 With funding from the World Bank (WB), the Ministry of Public Works (MPW) through its Project Implementation Unit (PMU) of the Liberia Urban Resilience Project (LURP), commenced the drainage cleaning exercises dubbed "QUICK WINS" in February 2024. The initiative started with the creation of access roads at the Whein Town Landfill outside Monrovia. Community engagement meetings were held targeting key population centers in the intervention areas of three counties, in a bid to raise awareness of the project and to solicit the communities' involvement in its implementation.
- 1.7.1.2 The Liberia Urban Resilience Project (LURP) aim is to increase flood resilience and access to urban infrastructure in selected neighborhoods and to improve urban management in Liberia. The "Drainage Cleaning Activity" or "Quick Win activity" encompassed the cleaning of drainage channels in three neighborhoods including Bushrod Island, Central Monrovia, and Paynesville. The cleaning involved the removal of solid wastes from the drainage, desilting, drainage shoulder cleaning, haulage, and disposal of the collected wastes to the MCC-operated landfill in Whein Town (Northern Paynesville). The cleaning of drainage channels was considered an immediate and time-sensitive priority to avoid clogging drainage channels in flood-prone communities during the rainy season (between May and November)
- 1.7.1.3 Additionally, Paragraph 4 of the Environmental and Social Management Framework (ESMF) of April 15, 2022 states that "The LURP project has four components. Component 1 of the project will support comprehensive upgrading, flood risk management and improved service delivery in prioritized areas of Greater Monrovia. Investments in drainage infrastructure that improve connectivity of drainage networks are prioritized to reduce climate and flood risk. This component will finance (i) feasibility and design, (ii) consultations, (iii) environmental and social framework (ESF) studies and instruments, (iv) compensation payments for resettlement, (v) works, (vi) supervision, and (vii) servicing and maintenance contracts. A waiver for IDA payment of resettlement compensation will be proposed, based on a desk-based estimation of the compensation costs, in the absence of design footprint and site-specific Resettlement Plans (RPs)".

Observation

- 1.7.1.4 During the audit, we observed that several drainages were filled with dirt and plastic waste by residents. We further observed continuous dumping of solid and liquid wastes in the

drainage channels by the residents at several drainage sites, such as Central Monrovia Drainage System, Doe Community & Clara Town Intersection Drainage System, Jamaica Road Drainage System, Duala Drainage System, Point 4 Drainage System, Old Road Junction Drainage System, Sophie Drainage System, GSA Road Drainage System and Whein Town landfill. **See Exhibits 1-8:**

Risk

- 1.7.1.5 Failure to properly address environmental controls may lead to health, safety and environmental hazards that may negatively impact the public and targeted beneficiaries of the project.
- 1.7.1.6 Poorly maintained drainage systems and poor waste management activities may lead to flooding, erosion, pollution, health risk and property damages.

Recommendation

- 1.7.1.7 Management should liaise with the affected communities to develop, approve and operationalize a sensitization strategy and adequate sanitation plans to avoid continued waste in the drainages. The strategy should be supported by jingles and announcements in local vernaculars/dialects, colloquial, community sensitization forums and engagements, and the creation of graphical representations, including infographics and pictures in the vicinity of drainages to facilitate precise interpretations of potential danger from hazardous activities.
- 1.7.1.8 Evidence of stakeholder sensitization strategy and the conduct of periodic community sensitization engagement activities should be adequately documented and filed to facilitate future review.
- 1.7.1.9 Management should perform periodic monitoring and evaluation to ensure approved sanitation activities are implemented consistent with approved strategy.

Management's Response

- 1.7.1.10 *Management notes that the periodic maintenance of drainage systems is a statutory responsibility of local government authorities, including the Monrovia City Corporation (MCC), Paynesville City Corporation (PCC), and the Ministry of Public Works for roadside drainage systems.*
- 1.7.1.11 *The drainage cleaning activities implemented under the Liberia Urban Resilience Project (LURP) were designed as temporary "Quick Win" interventions to address urgent drainage blockages in flood-prone communities. These activities were undertaken following a request from the Ministry of Finance and Development Planning (MFDP) and recommendations from the World Bank Implementation Support Mission to identify and implement visible, high-impact activities that could demonstrate early project results.*

- 1.7.1.12 *Recognizing the importance of sustaining these efforts, LURP procured and distributed hand tools for drainage cleaning to beneficiary communities and supplied drainage maintenance equipment to the Ministry of Public Works to support periodic maintenance activities under their respective mandates.*
- 1.7.1.13 *Furthermore, the Ministry of Public Works, through the PMU, entered a contract with the Liberia Media for Democratic Initiatives (LMDI) in 2025 to implement public awareness and behavioral change campaigns. These activities include the production and dissemination of jingles and announcements in local vernaculars and colloquial languages, community sensitization forums and engagements, and public awareness messaging aimed at discouraging the dumping of waste into drainage channels and promoting community ownership of drainage infrastructure.*
- 1.7.1.14 *Management agrees with the recommendation. Documentation of stakeholder engagement, public awareness campaigns, community sensitization activities, attendance records, media products, reports, photographs, and other supporting evidence generated under the drainage cleaning contract and related project activities will be maintained and properly filed to facilitate future review and verification.*
- 1.7.1.15 *Management acknowledges the importance of monitoring and evaluation of drainage cleaning and awareness activities. While routine drainage maintenance falls outside the scope of LURP and remains the responsibility of the relevant government institutions and local authorities, the PMU will continue to monitor and evaluate the implementation of awareness and sensitization activities undertaken under the project. Periodic reviews of campaign effectiveness, stakeholder participation, and community engagement outcomes will be conducted and documented to support improved behavioral change and sustainability of project investments. See attached Exhibit IV: Drainage Maintenance Photos*

Auditor General's Position

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

1.8 IT System and Computerized Environment

1.8.1 IT Governance

Criteria

- 1.8.1.1 EDM01.01 of COBIT 2019 states that; Evaluate the governance system. Continually identify and engage with the enterprise's stakeholders, document an understanding of the requirements, and evaluate the current and future design of governance of enterprise I&T.
- 1.8.1.2 EDM01.02 of COBIT 2019 states that; Direct the governance system. Inform leaders on I&T governance principles and obtain their support, buy-in and commitment. Guide the structures, processes and practices for the governance of I&T in line with the agreed

governance principles, decision-making models and authority levels. Define the information required for informed decision making.

- 1.8.1.3 EDM01.03 of COBIT 2019 states that; Monitor the governance system. Monitor the effectiveness and performance of the enterprise's governance of I&T. Assess whether the governance system and implemented mechanisms (including structures, principles and processes) are operating effectively and provide appropriate oversight of I&T to enable value creation.

Observation

- 1.8.1.4 During the audit, we observed no evidence of a functional IT Governance to guide the structures, processes and practices as well as provide oversight of the IT strategic goals, objectives and activities of the entity evidenced by the nonexistence of the following;
- IT Strategic Plan
 - IT Steering Committee
 - Organogram
 - Training Program and
 - Service Level Agreement

Risk

- 1.8.1.5 Failure to constitute the above-mentioned IT governance structure may cause misalignment between IT initiatives and the organization's strategic goals, leading to inefficient resource allocation and potentially jeopardizing the achievement of business objectives.

Recommendation

- 1.8.1.6 Management should prioritize the development of a well-defined IT Governance that aligns with their strategic vision and facilitates the achievement of long-term goals. The establishment of a robust IT Governance framework will ensure that IT investments align with the project's strategic objectives, enhancing transparency, accountability, and efficiency.

Management's Response

- 1.8.1.7 *We acknowledge the audit observation against DSS05 (COBIT 2019) and accept the finding that formal IT Security Management controls (policy, endpoint protection, patch management) are not currently evidenced. Management will address these issues in the coming months. We will provide status updates and evidence against each milestone on the target dates.*

Auditor General's Position

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

1.8.2 IT Security Management

Criteria

- 1.8.2.1 DSS05 of COBIT-2019 states that: Protect enterprise information to maintain the level of information security risk acceptable to the enterprise in accordance with the security policy. Establish and maintain information security roles and access privileges. Perform security monitoring.

Observation

- 1.8.2.2 During the audit, we observed no evidence of IT Security Management processes and procedures to govern the IT Environment, evidenced by the nonexistence of:
- Approved IT Security Policy
 - Installed, license, unexpired and updated Antivirus Program
 - Patch Management Process

Risk

- 1.8.2.3 The absence of IT Security Management in an organization may lead to operational disruptions, legal ramifications, and financial loss. Without proper cybersecurity measures, organizations are vulnerable to cyberattacks that may result in the theft or corruption of sensitive data, leading to operational downtime and loss of productivity.

Recommendation

- 1.8.2.4 Management should establish and operationalize IT Security Management processes and procedures to protect the organization assets and ensure the confidentiality, integrity, and availability of data. This process would involve implementing various security measures to guard against unauthorized access, cyberattacks, and other potential security breaches that could lead to data loss or damage.

Management's Response

- 1.8.2.5 *Management acknowledges the audit observation regarding the gaps in our IT Security Management framework. We agree with the risk assessment that the lack of a formalized security policy, deficient endpoint protection, and the absence of a patch management process expose the organization to significant operational, legal, and financial risks. We accept the recommendation to operationalize formal IT Security Management processes. The current state is a result of the organization's rapid growth phase, where IT resources were focused primarily on system availability and user support, rather than proactive security governance. Additionally, a reliance on default IT configurations and informal update habits contributed to the lack of documented procedures.*

Auditor General's Position

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

1.8.3 Program Change Management

Criteria

- 1.8.3.1 BAI06.01 of COBIT-2019 states: Evaluate, prioritize and authorize change requests. Evaluate all requests for change to determine the impact on business processes and I&T services, and to assess whether change will adversely affect the operational environment and introduce unacceptable risk. Ensure that changes are logged, prioritized, categorized, assessed, authorized, planned and scheduled.

Observation

- 1.8.3.2 During the audit, we observed no evidence of program change management to safely implement IT solutions in line with the agreed expectations and outcomes of change management processes, evidenced by the non-existence of:
- Documentation and approval processes to upgrades made to applications/ systems.
 - Formal change request documentation completed indicating the change to be made and the reasons for changes to an application/ system.

Risk

- 1.8.3.3 The absence of a structured program change management process may lead to potential for unauthorized changes and the lack of traceability for modifications made to systems or applications.

Recommendation

- 1.8.3.4 Management should develop and operationalize a robust change management program which includes comprehensive documentation and approval processes for upgrades, patches, and reviewed before implementation. Implementing these steps can help in aligning changes with organizational policy and maintaining the integrity of the IT infrastructure.

Management's Response

- 1.8.3.5 *Management acknowledges the audit observation regarding the absence of a formalized program change management process. We agree that the current practice of implementing system upgrades and application modifications without standardized documentation and approval workflows exposes the organization to risks of unauthorized changes, system instability, and lack of audit traceability. We accept the recommendation to develop and operationalize a robust change management program aligned with COBIT-2019 (BAI06.01). Physical Access Control.*

Auditor General's Position

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

1.8.4 Physical Access Control

Criteria

- 1.8.4.1 DSS05.05 of COBIT-2019 states, Manage physical access to I&T assets. Define and implement procedures (including emergency procedures) to grant, limit and revoke access to premises, buildings and areas, according to business need. Access to premises, buildings and areas should be justified, authorized, logged and monitored. This requirement applies to all persons entering the premises, including staff, temporary staff, clients, vendors, visitors or any other third party.

Observation

- 1.8.4.2 During the audit, we observed no evidence of physical access controls to protect IT assets, evidenced by the non-existence of:
- Establishment of policy that cover physical access to IT Environments

Risk

- 1.8.4.3 The absence of physical access control may lead to unauthorized entry, theft, vandalism, or even compromise of sensitive information.

Recommendation

- 1.8.4.4 Management should define and implement policies and procedures to grant, limit and revoke access to premises, buildings and areas, according to business need. Access to premises, buildings and areas should be justified, authorized, logged and monitored. This requirement should apply to all persons entering the premises, including staff, temporary staff, clients, vendors, visitors or any other third party.

Management's Response

- 1.8.4.5 *Management did not Respond to this audit finding.*

Auditor General's Position

- 1.8.4.6 In the absence of a response by Management, we maintain our finding and recommendation. We will follow-up on the implementation of our recommendation during subsequent audit.

1.8.5 Lack of Backup Strategy and Off-site Storage

Criteria

- 1.8.5.1 DSS04.03.6 of COBIT 5, "provides for entities to define and document the information backup requirements required to support the plans, including plans and paper documents as well as data files, and consider the need for security and off-site storage."

Observation

- 1.8.5.2 During the audit, we observed that Management did not have a backup strategy to store

data, backups were not done in full, and only specific items were backups. Additionally, we observed no off-site storage facility.

Risk

- 1.8.5.3 In instances where backups are not stored at an offsite location, the organization may not recover data loss due to a disaster.

Recommendation

- 1.8.5.4 Management should have an off-site back-ups facility of its own or have an agreement with another entity to use their facility to store back-ups.

Management's Response

- 1.8.5.5 *Management acknowledges the audit observation regarding the absence of a comprehensive backup strategy, the incomplete nature of current backup practices, and the lack of off-site storage facilities. We agree with the risk assessment that the current state exposes the organization to significant data loss and business interruption in the event of a disaster, cyberattack, or system failure. We accept the recommendation to establish a formal backup strategy, including secure off-site storage arrangements.*
- 1.8.5.6 *The deficiencies in our backup practices stem from the following factors:*
- 1.8.5.7 *•Historical Ad-Hoc Approach: Backups have been performed informally, focusing on "specific items" rather than a systematic, full-data approach. This was driven by limited storage capacity and a lack of defined backup policies.*
- 1.8.5.8 *•Budgetary Constraints: Previous attempts to procure off-site storage solutions were deprioritized due to competing IT capital expenditure requests.*
- 1.8.5.9 *•Lack of Formalized Strategy: No documented backup policy existed to define Recovery Time Objectives (RTO), Recovery Point Objectives (RPO), retention periods, or the scope of data to be backed up.*
- 1.8.5.10 *•Misplaced Confidence: There was an over-reliance on the assumption that on-premise infrastructure was inherently reliable, underestimating the risk of ransomware, fire, theft, or natural disasters.*
- 1.8.5.11 *Management fully recognizes that data is one of the organization's most valuable assets and that the inability to restore data following a disaster would be catastrophic. We are committed to building a resilient, tested, and secure backup and recovery framework that ensures business continuity and aligns with COBIT 5 DSS04.03.6. We appreciate the audit team's identification of this critical vulnerability and look forward to demonstrating our progress.*

Auditor General's Position

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

1.9 Prior Year Audit Issues

No	Findings	Description of Recommendation	Source Paragraphs	Management's Response	Auditor General's Position	Status of recommendation
1.	Payment Without Adequate Supporting Documents During the audit, we observed that Management facilitated payments amounting to US\$76,574.67 without evidence of request for quotations (RFQ), evaluation of supplier quotes, vouchers, invoices, goods received notes, etc to substantiate the legitimacy of transactions. See Table 1 in report for details. (March 1, 2022-February 28, 2023.)	Management should ensure all transactions are supported by the requisite supporting documents consistent with the financial management regulations.	1.1.5.3	All the aforementioned payments were made with all the requisite supporting documents. In the event that the auditor did not see a supporting document, it was either as a result of an inadvertent omission during the compilation of these documents for submission to the auditor by our support staff or oversight by the auditor who received them but included them in the Management letter, which is mostly the situation in this case. Again, we are resubmitting these documents for the Auditor's reference. Please see attached Exhibit II in report.	Management's assertions are not supported by adequate documentation. The documents submitted in Exhibit II are unrelated to the transactions without supporting documents as indicated in Table 1 in report of our finding.	Partially Implemented
2.	Irregularities Associated with Fixed Assets Management	Management should set assets value to be recorded, developed and maintained.	1.2.1.3	The PMU upon assuming full control requested a comprehensive turnover note from the activities of the project	We acknowledge Management's acceptance of our findings and	Partially Implemented



*Management Letter on the Financial Statements
Audit of the Liberia Urban Resilience Project (LURP)
For the year ended December 31, 2025*

No	Findings	Description of Recommendation	Source Paragraphs	Management's Response	Auditor General's Position	Status of recommendation
	During the audit, we observed the following irregularities associated with the Assets Management System: • There was no evidence of a fixed asset register that contains the cost, code, date of acquisition of the assets as well as the reference of the source document on which the asset was received. • Fixed assets were not coded. See Table 6 in report for details. • There was no evidence of the movement of assets form. However, one of the assets of the project was seen in			preparation. Had the PMU received a fully comprehensive report, decisions regarding fixed assets would have been taken. However, the PMU team takes note of these irregularities and promised to elevate the discussion with the Head of the entity to have it resolved.	recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.	

No	Findings	Description of Recommendation	Source Paragraphs	Management's Response	Auditor General's Position	Status of recommendation
	the Monitoring and Evaluation Division of the Ministry of Public Works which is different from the unit of the LURP. See Table 6 in report for details. • Fixed Assets within a given vicinity were not displayed as required by the PFM Act. • An asset could not be seen during the physical verification performed by the GAC Audit Team. See Table 7 in report for details.					
3	Non-Achievement of Project Deliverable During the audit, we observed that several project activities outlined in the Project Work Plan for LURP	Management should ensure that the project deliverables are implemented in line with the project work plan.	1.2.2.3	The total project cost is US\$40 million (Forty Million) instead of US\$76 Million (Seventy-Six Million) as indicated in Table 8 of the audit report. I think it was an error. However, the PMU came into place in February 2023 due to some	We acknowledge Management's assertion relative to the total cost of the project and acceptance of our findings and recommendations. We will follow-up on the	Partially Implemented



No	Findings	Description of Recommendation	Source Paragraphs	Management's Response	Auditor General's Position	Status of recommendation
	have not been implemented as dated in the approved work plan and budget. See Table 9 in report for details.			delays beyond the PMU's control. Activities had been projected to have commenced earlier with an installed PMU, but due to the delays, those projected activities couldn't be implemented as indicated in the work plan. The PMU is now in place and those activities will eventually be implemented.	implementation of our recommendations during subsequent audit.	
4.	Non-implementation of Internal Audit Recommendations During the audit, we observed that the Internal Auditor conducted an audit on the affairs of the project activities of LURP and submitted the report to the PFMU, World Bank, and the LURP-PPA/MPW dated November 14, 2022. However, we observed	Management should ensure that the Internal Audit Report is considered key and recommendations are implemented effectively and efficiently.	1.2.3.2	The current PMU team was not in place during this period. However, we will address all these recommendations subsequently.	We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.	Not Implemented



No	Findings	Description of Recommendation	Source Paragraphs	Management's Response	Auditor General's Position	Status of recommendation
	no evidence that Management responded and implemented the necessary recommendations.					
5	No Risk Assessment Process During the audit, we observed no evidence of a risk management policy and risk assessment to guide internal and external risks that may impair the achievement of the project's objectives.	Management should establish a risk management policy that identifies strategies for mitigating internal and external risks that may impair the achievement of the project's objectives.	1.2.4.2	The Risk Management Report and policy were given to all auditors during the inception of the audit. We are again resubmitting the project's risk assessment for your reference. Please see attached Exhibit III.	We acknowledge Management subsequent submission of the risk assessment report after our audit execution. However, the risk management policy that should regulate the conduct of periodic risk assessment was not provided.	Partially Implemented
6	Lack of Approved IT Policies and Procedures During the audit, we observed no evidence that the PFMU had developed key IT-related policies such as:	Management should develop, approve and operationalize appropriate IT Security policies and standard operating procedures to safeguard information assets (application, database, and other IT	1.2.5.2	The PFMU uses the IT Policies and procedures of the Ministry of Finance and Development Planning; and, thus, we do not have our own standalone IT policy and procedures. Please reference your permanent file as the IT policy for the Ministry of Finance and Development	Management's assertions are not supported by adequate documentation. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our	Not Implemented



No	Findings	Description of Recommendation	Source Paragraphs	Management's Response	Auditor General's Position	Status of recommendation
	- Approved IT Security Policy - Change Management Policy	infrastructure) and ensure consistency in the application of the policies across the entire PFMU.		Planning has been submitted to your teams at GAC for other projects.	recommendations during subsequent audit.	
7	Audit Field Visitation During the audit, we visited the Central Monrovia – Soniwein Drainage System (MCC), Duala Market (MCC) Drainage System, Southeastern Paynesville - Du-Port Road Area (PCC) Drainage System and Omega Market Area (PCC) Drainage System, to confirm the feasibility study conducted by consultants of the LURP.	Management should liaise with the affected communities to develop long-term sustainable solution plans.	1.2.6.2	These are concerns not only for the PMU, but the nation. The maintenance of drainages in and around Monrovia is of serious concern to the nation. This is one of the reasons why this project came into being. Studies have been conducted, and plans are underway to maintain and establish sustainable infrastructures relating to the drainages in and around Monrovia.	We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.	Partially Implemented
8	Under Disbursement of Appropriation	Management should provide substantive justification for under	1.1.1.3	The under disbursement didn't result in underachievement of project deliverables as stated.	Management's assertion did not adequately address the	Partially Implemented



No	Findings	Description of Recommendation	Source Paragraphs	Management's Response	Auditor General's Position	Status of recommendation
	During the audit, we observed that total approved projected expenditure per the Annual Work Plan and Budget was US\$2,896,857 . However, only US\$2,181,060 was disbursed to the Project resulting in a variance of US\$715,797.00 . As a result, several projects deliverables were not achieved.	receipt of approved budget.		The underachievement of project deliverables was due to lot of factors like the 2023 General Presidential and Legislative elections. These elections had significant adverse impact on the project deliverables. Besides, the disbursement into the Designated Account (DA) of the total approved projected expenditure is normally reduced by the balanced in the DA.	issues raised. Going forward, Management should liaise with the relevant authority of the Bank to facilitate full receipt of approved revenue/receipt to expedite timely implementation of project deliverables. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.	
9	Non- Explanation for Material Variances During the audit, we observed that Management did not include explanatory notes to the financial statements on the	Management should provide substantive justification for not disbursing approved revenue/receipt in line with approved workplan and budget.	1.1.2.3	The notes to the 2023 Financial Statements are provided in summary form. The variances are provided per category and not per activities under the various components. Component 1 and 2 recorded significant material variances. These material variances were	We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent	Implemented



No	Findings	Description of Recommendation	Source Paragraphs	Management's Response	Auditor General's Position	Status of recommendation
	material variances between the budget and actual amounts. See Table 1 in report for details.			due to some activities that were not undertaken. The PMU takes note and will provide material variances in future financial statements. (See attached Exhibit I: Revised Financial Statement) in report.	audit.	
10	Failure to Remit Taxes on Goods and Services (GST) During the audit, we observed no evidence of goods and service tax,(GST) being remitted into GOL Revenue Account for the purchase of goods and services amounting to US\$11,290.22 as withholding taxes from vendors to LRA.	Management should provide substantive justification for not remitting GST to LRA.	1.1.4.3	The PFMU has worked and continue to engage with the stakeholders on this GOL flag receipts (evidence of tax payments) issue for taxes remitted. The LRA indicated that the PFMU is not regarded as one of her Collectrates that can issue flag receipt. Inspite of the challenges in remitting the relevant taxes, the PFMU continue to do so. However, some of the taxes are not remitted on a real time basis given the challenges encountered in the remittance process.	We acknowledge Management's assertions and subsequent submission of bank statements as evidence of tax payments. However, we observed that monthly Goods and Services Taxes (GST) withheld were not remitted in a timely manner as required. Therefore, we maintain our recommendations. We will follow up on the implementation of our recommendations during subsequent audit.	Partially Implemented



No	Findings	Description of Recommendation	Source Paragraphs	Management's Response	Auditor General's Position	Status of recommendation
11.	Lack of IT Strategic Committee During the audit, we observed no evidence of a functional IT Strategic Committee to provide strategic oversight of the IT strategic goals, objectives and activities of the LURP/PMU evidence by the nonexistence of meeting minutes and periodic reports.	Management should ensure that the IT Strategic Committee is functional, evidenced by documentation of meeting minutes and periodic reports.	1.2.3.4	As the Implementing Agency, MPW IT Section is the sole governing body of the Ministry of Public Works. All IT-related strategies of the PMU are in line with the MPW's IT Strategic Plan and Policy. This includes the use of the website (www.mpw.gov.lr) for project publications and the assigning of email addresses to PMU staff(name@mpw.gov.lr).	Management's assertion did not adequately address the issues raised. Going forward, Management should ensure that the IT Strategic Committee is functional, evidenced by documentation of meeting minutes and periodic reports. During the audit execution, we observed that staffs at the PMU were using personal emails and not emails of the governing (Ministry of Public Works). Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.	Not Implemented
12	Unapproved IT Strategic Plan	Management should establish an IT Strategic	1.2.4.4	The PMU IT is governed by the IT Policy and Strategic Plan of	Management's assertion did not	Not Implemented



No	Findings	Description of Recommendation	Source Paragraphs	Management's Response	Auditor General's Position	Status of recommendation
	During the audit, we observed no evidence of an IT strategic plan to signify that the LURP/PMU had established an IT strategy to address the operations of their Information Technology unit and provide a strategic direction, evidenced by the nonexistence of meeting minutes and periodic reports.	plan at the Steering and Technical Committees levels in order to create a coherent strategy, give a clear direction and govern the Information Technology Unit.		the Ministry of Public Works which is the Implementing Agency of the Project. Therefore, the PMU IT cannot develop a parallel Policy, but implement all Policies in place at the MPW and in line with the ICT Policy of The Republic of Liberia which was approved in 2019.	adequately address the issues raised. Going forward, Management should develop, approve and operationalize an IT Strategic Plan to regulate ICT activities of the project. The IT Stretegic Plan should comprehensively catalogue long, medium and short terms ICT activities, challenges associated with the ICT business processes and systems and measures to mitigate those challenges. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent	



No	Findings	Description of Recommendation	Source Paragraphs	Management's Response	Auditor General's Position	Status of recommendation
13	Non-Maintenance of Drainages During the audit, we observed that the following drainages were filled with dirt and plastic waste by residents– Soniwein Drainage System, Bushrod Island Drainage System, Southeastern Paynesville - Du-Port Road Area (Rehab Car Wash, Cow Field, Zaza Community) Drainage System, Whein Town landfill and Cheesemanburg. See exhibits 1. Central Monrovia, Exhibits 2. Du-Port Road, Exhibits 3. Whein Town, Exhibits 4. Cheesemanburg Landfill in report.	Management should liaise with the affected communities to develop, approve and operationalize strategies and adequate sanitation plans to avoid continued waste in the drainages.	1.2.5.2	The PMU signed a contract with two work contractors for cleaning the drainages in central Monrovia, Paynesville, and Bushrod Island. However, not all the drainages in these areas were considered due to budget limitations. It is not clear which drainages were captured in the audit report. Looking at the photo it is difficult to know the location of some of the drainages captured in the report. Furthermore, drainage cleaning activities were ongoing when the audit team visited the site. We believe some of the drainages visited by the auditors were not completed when they visited the site.	audit. Management's assertions were not supported by documentary evidence.	Partially Implemented



No	Findings	Description of Recommendation	Source Paragraphs	Management's Response	Auditor General's Position	Status of recommendation
14	Irregularities with Employees Attendance During the audit, we observed that staffs were not signing the attendance log at the start and end of the work day. We observed instances where staff signed in but did not sign out at the end of day. (Jan. 1,2024-December 31,2024)	Management should ensure that all staff sign the daily attendance records. The daily attendance sheet should include the following columns: name of employee, department, position, signatures and time for in and out periods.	1.3.2	Some of the consultants are most often involved with field related activities. The Engineers, M&E and the Environmental specialists are most often on the fields to carry out project related tasks and may sometimes remain on the fields and go home normally after working hours. These resulted to the consultants not signing out of the attendance records. This has not impair the function of the PMU nor has the PMU paid consultant for works not performed. Management, however, takes note and will put in place the proper mechanism to enable consultants sign in and out daily.	We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.	Not Implemented
15	Additionally, we observed no evidence that the daily attendance logs were adequately supervised or monitored by a designated staff.	Management should conduct periodic spot checks to ascertain the authenticity of the attendance records. The attendance records including spot checks	1.3.2.3	Same as above	Same as above	Not Implemented



No	Findings	Description of Recommendation	Source Paragraphs	Management's Response	Auditor General's Position	Status of recommendation
		records should be adequately documented and filed to facilitate future review.				
16.	Further, Personnel are processed on the payroll without reference to the signed daily attendance logs.	Management should ensure that personnel attendance records are regularly monitored by a designated staff and that employees should be reprimanded in line with the entity's employees' handbook for failing to report to work.	1.3.2.4	Same as above	Same as above	Not Implemented
17	Use of Personal Emails for Business Purpose During the audit, we observed no evidence that Management facilitated the use of an official email for internal and external communications related to the project. We observed that key	Management should develop, approve and operationalize policies and procedures for the effective and efficient operations of the project's official site for the management and channeling of communication/emails. The policy should comprehensively catalog the requirements for	1.3.3	We acknowledge the audit finding that project staff, including key personnel, utilized personal email accounts rather than official project email addresses for LURP/PMU business communications. This presents risks to data security, record -keeping, and professional accountability. This non-compliance occurred due to: • Absence of Policy	We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.	Implemented



No	Findings	Description of Recommendation	Source Paragraphs	Management's Response	Auditor General's Position	Status of recommendation
	personnel, such as the Lead Engineer, Technical Advisor, Solid Waste Management Specialist, Communication Specialist, Administrative Assistant, Procurement Specialist, Environmental Specialist as well as the Project Accountant, used their personnel emails to conduct official business of the project.	establishing and managing the site consistent with the National Policy on the Use of the Gov.lr Domain Name of the Ministry of Posts and Telecommunications of the Republic of Liberia as well as Regulation A.14 of the PFM Act of 2009 as amended and restated 2019.		Enforcement: No formal directive mandated the use of official emails • Transition Gaps: Lack of standardized onboarding for project staff regarding communication protocols • Convenience Factor: Staff may have defaulted to familiar personal accounts for accessibility • Corrective Actions Implemented/Planned: • Immediate Policy Implementation (Completed within 60 days)		
18	Third-Party Payment made to Employee of the Entity During the audit, we observed that Management made	Management should initiate and complete all procurement processes as required by the PPCC and the Public Financial Management Act.	1.4.1	The nature of certain payments makes it difficult to avoid the third party. The PMU through the communication and community engagement specialist and other staff carries out community engagement on some of its projects. In these	Management's assertion did not adequately address the issues raised and is non-compliant with Regulation B.28 of the PFM Act of 2009 as Amended and Restated	Not Implemented



No	Findings	Description of Recommendation	Source Paragraphs	Management's Response	Auditor General's Position	Status of recommendation
	several payments amounting to US\$7,200.00 to employees of the project rather than making direct payment to service providers or their legally authorized representatives.			engagements, the PMU, as regarded by the Bank standards, provides water and transportation for participants. Participants are normally given US\$5.00 per participant. Some of these engagements will have 200 participants from various communities and it's impossible to write checks of US\$5.00 for each participant. Besides, community members are always sending proxies on these engagements.	2019. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.	
19	Irregularities Associated with Fixed Asset Management 1.5.1.3 During the audit, we observed the following irregularities associated with the fixed assets management system. Some of the project's fixed assets	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.	1.5.1	All of the assets under the Liberia Urban Resilience Project (LURP) are coded and the register was presented to the auditors during the audit. The PMU runs two (2) parallel projects: Liberia Urban Resilience Project (LURP) and Monrovia Integrated Development Projects (MIDP). The Accounting for these assets is separate. The assets reflected in this report that are	Management's assertions were not supported by documentary evidence. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.	Partially Implemented



No	Findings	Description of Recommendation	Source Paragraphs	Management's Response	Auditor General's Position	Status of recommendation
	were not coded, - Fixed assets within a given vicinity were not displayed as required by PFM Act - Assets damage and still capture on the book - Fixed Assets Register was not updated, - There was no evidence of movement of assets form, - The fixed assets register did not contain all the relevant columns, - There was no evidence of periodic physical verification of fixed assets report.			not coded are assets bought under the MIDP funds. These assets could not form part of the LURP's Asset register. The PMU, however, has begun coding these assets using MIDP codes.		
20	Irregularities Associated with Inventory Management System	Management should develop and operationalize an automated inventory management system to	1.6.1	All of the office spaces provided for the PMU by the Ministry of Public Works are occupied by PMU's consultants. Currently, inventory has been kept in the	Management's assertions did not adequately address the issues raised. We observed no evidence	Not Implemented



No	Findings	Description of Recommendation	Source Paragraphs	Management's Response	Auditor General's Position	Status of recommendation
	During the audit, we observed the following irregularities associated with the inventory management system: - Inventories were not stored in secured custody but rather kept in an office that is not protected by a metallic door and occupied by project management staff. - Inventories were not systematically arranged on shelves and comprehensively labeled. - No evidence of manual or automated inventory management system	facilitate and ensure accurate records of inventories such as; purchases, distribution, current stock balance, reordering level, stock-out level etc.		office housed by the Finance Officer and the Administrative Assistant. There are plans to create space in one of the PMU's offices to be used as a warehouse for storage of PMU's inventory. In the meantime, the PMU's inventory is controlled by the Administrative Assistant who keeps tracks and records of all inventory bought and used. A ledger book is available to record the usage of inventories bought by the PMU	of a comprehensive inventory management system, with the associated controls cataloged in our findings above. Inventory should also be maintained in a warehouse with the appropriate safeguards exclusive of the staff offices and assessable only to authorized personnel at all times. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.	



*Management Letter on the Financial Statements
Audit of the Liberia Urban Resilience Project (LURP)
For the year ended December 31, 2025*

No	Findings	Description of Recommendation	Source Paragraphs	Management's Response	Auditor General's Position	Status of recommendation
	comprehensively cataloging the following: goods ordered, goods received, goods requested, goods distributed, current running balance and buffer (minimum request before reordering) inventories/ stationery & supplies level established for each class of inventory/ stationery & supplies. No evidence of periodic physical verification of inventories/stock take. We also observe no evidence of Statement of Monthly Supplies as required.					



EXHIBITS

GAC Audit Team On-Site Inspection Visit

EXHIBIT 1: - Central Monrovia– Soniwein Drainage System (MCC).



EXHIBIT 2: Doe Community & Clara Town Intersection Drainage System



EXHIBIT 3: Jaimaca Road Drainage System



EXHIBIT 4: Duala Drainage System



EXHIBIT 5: Point 4 Drainage System



EXHIBIT 6: Old Road Junction Drainage System



EXHIBIT 7: Sophie Drainage System with Private Fence Built on Top of It



EXHIBIT 8: GSA Road Drainage System



EXHIBIT 9: Whein Town landfill



EXHIBIT 10: Pothole Patching and Overlay Work -Ongoing at Caldwell and Diggsville Intersection

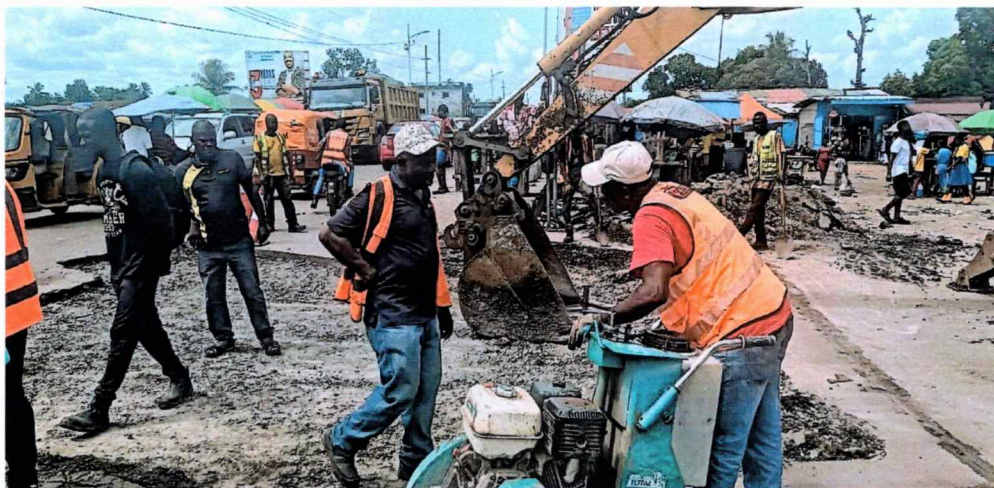


EXHIBIT 11: Pothole Patching and Overlay Work – Ongoing at Fish Market, SKD Boulevard



EXHIBIT 12: Pothole Patching and Overlay Work -Ongoing At 72nd Junction



EXHIBIT 13: Pothole Patching and Overlay Work -Ongoing at SD Cooper Road and Boulevard Intersection



**14. LURP Drainage Cleaning: Before-and-After Photographic Evidence:
These works were completed prior to the visitation of the GAC Audit Team.**



Caldwell Road – Stockton Creek before



Caldwell Road – Stockton Creek after



Lynch Street before



Lynch Street after



Buzzi Quarter before



Buzzi Quarter after



AB Tolbert Road before

AB Tolbert Road after