



## Management Letter

### On the Financial Statements Audit of the National Road Fund (NRF)

*For Fiscal Periods July 1, 2020 to December 31, 2022*



**Promoting Accountability of Public Resources**

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

**Monrovia, Liberia  
August 2025**

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### ACRONYMS USED

Acronym	Meaning
AG	Auditor General
AGO	Automotive Gas Oil (Diesel Fuel)
AWPB	Annual Work Plan and Budget
CBL	Central Bank of Liberia
CD	Compatible Disc
CFIP	Certified Forensic Investigation Professional
CGMA	Chartered Global Management Accountant
COSO	Commission on Sponsoring Organization
CPA	Certified Public Accountant
DOC	Document
FAR	Fixed Assets Register
FCCA	Fellow Member of Chartered Certified Accountants
FM	Fund Manager
FPM	Financial Procedure Manual
GAC	General Auditing Commission
GOL	Government of Liberia
HFO	Heavy Fuel Oil
IMSC	Inter-Ministerial Steering Committee
INTOSAI	International Organization of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
ISSAI	International Standards of Supreme Audit Institutions
Jet A, Jet A-1 and Jet B	Jet fuel/ Kerosene
LD	Liberian Dollar
LNP	Liberia National Police
LPRC	Liberia Petroleum Refining Company
LPG	Liquefied Petroleum Gas or Cooking gas
LRA	Liberia Revenue Authority
MFDP	Ministry of Finance and Development Planning
MOT	Ministry of Transport
MPW	Ministry of Public Works
NCB	National Competitive Bidding
NRF	National Road Fund
PAPs	Property Affected Persons
PI	Petroleum Importers
PFM	Public Finance Management
PMO	Premium Motor Oil
PMS	Premium Motor Spirit (Gasoline or Petrol)
PPC Act	Public Procurement and Concessions Act
PV	Payment Voucher
RAP	Resettlement Action Plan
RPF	Resettlement Policy Framework
RFQ	Request for Quotation



*Management Letter On the  
Financial Statements Audit of the National Road Fund (NRF)  
For the period July 1, 2020 to December 31, 2022*

<b>Acronym</b>	<b>Meaning</b>
RoW	Right of Way
RS	Road Safety
RSS	Road Safety Secretarial
TOR	Term of Reference
USD	United States Dollar



March 26, 2026

Hon. Joseta Neufville –Wento  
**Fund Manager/Chief Executive Officer (CEO)**  
National Road Fund (NRF)  
Payne Avenue, 9th & 10th Street, Sinkor  
Monrovia, Liberia

Dear Hon. Wento:

**RE: MANAGEMENT LETTER ON THE FINANCIAL STATEMENTS AUDIT OF THE NATIONAL ROAD FUND (NRF) FOR THE PERIOD JULY 1, 2020 TO DECEMBER 31, 2022.**

The Financial Statements of the National Road Fund (NRF) for the period July 1, 2020 to December 31, 2022 are subject to audit by the Auditor-General (AG) under the AG's Mandate as provided for in Section 2.1.3 of the GAC Act of 2014 as well as the Audit Engagement Terms of Reference (ToR).

**INTRODUCTION**

The audit of the National Road Fund (NRF) financial statements for the period ended December 31, 2022 has been completed; the purpose of this letter is to bring to your attention the findings that were revealed during the conduct of the 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 financial statements.

An audit includes:

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

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

The matters mentioned in this letter are therefore those that were identified through tests considered necessary for the purpose of the audit and it is possible that there might be other matters and/or weaknesses that were not identified. The financial statements, maintenance of effective control measures and compliance with laws and regulations are the responsibility of the Project Management. Our responsibility is to express our opinion on these financial statements.



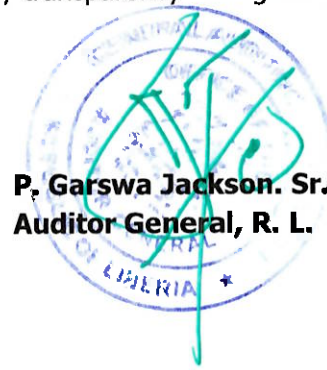
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For the period July 1, 2020 to December 31, 2022*

The audit findings which were identified during the course of the audit are included below.

**Appreciation**

We would like to express our appreciation for the courtesy extended and assistance rendered by the staffers of the National Road Fund (NRF) during the audit.

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



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

**Monrovia, Liberia**  
March 2026



## 1 DETAILED FINDINGS AND RECOMMENDATIONS

### 1.1 Financial Issues (Revenue/Receipts)

#### 1.1.1 Unremitted Fuel Levy Fees

##### Criteria

1.1.1.1 Section 6.1(a-d) of the National Road Fund (NRF) Act of 2016 requires that "Monies collected for the Road Fund shall be used for:

- a) Routine and periodic maintenance of roads, bridges and directly associated facilities
- b) Emergency works (to a maximum of 7% of annual expenditure on road maintenance by the Fund);
- c) Costs directly associated with the running of the Office of the Road Fund (to a maximum of 1.5% of annual expenditure on road maintenance by the Fund in pursuit of its responsibilities identified in this Act), and
- d) Rehabilitation and improvement work including paving of roads to a maximum of 40% of its annual revenues only through servicing of loans approved by Government."

##### Observation

1.1.1.2 During the audit, we observed that from the LRA collection for FY2020/2021 to FY2022 amounting to US\$60,580,748.77 in fuel levy fees, the Government of Liberia transferred a total of US\$53,202,387.99 to the NRF, resulting into a total unremitted fuel levy fees of US\$ 7,378,360.78. **See below Table 1a and Annexure 1 for details:**

**Table 1a: Unremitted Fuel Levy Fees**

ACTUAL ROAD FUND PER LRA REVENUE COLLECTION DETAIL REPORT					
FISCAL YEAR	Amount Collected by LRA (USD) (A)	Amount Collected by LRA (LRD) (B)	CBL Exchange selling rate at end of Month (C)	Amount Collected by LRA (Equivalent USD) D=(B/C)	Total Amount Collected by LRA (USD) E=(A+D)
2020/2021	12,248,100.53	2,324,492,679.64	177.84	13,070,727.41	25,318,827.94
SBY 2021	7,734,280.26	637,868,834.45	161.08	3,960,007.79	11,694,288.05
FY 2022	9,760,030.42	2,122,488,384.23	153.72	13,807,602.36	23,567,632.78
<b>TOTAL (a)</b>	<b>29,742,411.21</b>	<b>5,084,849,898.32</b>	<b>164.89</b>	<b>30,838,337.56</b>	<b>60,580,748.77</b>
ACTUAL GOL REMITTANCES TO NRF ESCROW ACCOUNTS					
FISCAL YEAR	GOL REMITTANCES (USD) (A)	GOL REMITTANCES (LRD) (B)	CBL Exchange selling rates at end of	GOL REMITTANCES (Equivalent USD) D=(B/C)	Consolidated GOL Remittances (USD) E=(A+D)



			Month (C)		
FY 2020/2021	18,938,651.62	663,680,092.83	180.72	3,672,436.17	22,611,087.79
SBY 2021	6,155,538.81	50,000,000.00	151.13	330,840.56	6,486,379.37
FY 2022	20,010,736.06	623,331,439.96	152.25	4,094,184.77	24,104,920.83
<b>TOTAL (b)</b>	<b>45,104,926.49</b>	<b>1,337,011,532.79</b>	165.11	<b>8,097,461.50</b>	<b>53,202,387.99</b>
<b>Variance (a-b)</b>					<b>7,378,360.78</b>

1.1.1.3 Further, we observed that the total balance of unremitted fuel levy fees due from GoL for FY2018/2019 to FY2020/2021 amounted to US\$24,866,638.54. **See Table 1b below for details:**

**Table 1b: Total balance of unremitted fuel levy fees due from GoL June 30, 2021 C/F**

No.	Description	Amount in US\$
1	Outstanding fuel levies from GoL 2018/2019	9,901,604.00
2	Outstanding fuel levies from GoL 2019/2020 ML	14,965,034.54
	<b>Total balance due from GoL June 30, 2021 C/F</b>	<b>24,866,638.54</b>

1.1.1.4 Therefore, total unremitted fuel levy fees from GoL to the NRF for the period ended December 31, 2022 amounted to US\$32,244,999.32. **See Table 1c below for details:**

**Table 1c: Total unremitted fuel levy fees from GoL FY 2018/2019 to FY 2022**

No.	Description	Amount in US\$
1	Total unremitted fuel levy fees from GoL FY 2020/2021 to FY 2022	7,378,360.78
2.	Total unremitted fuel levy fees from GoL FY 2018/2019 to 2019/2020	24,866,638.54
	<b>Total unremitted fuel levy fees from GoL FY 2018/2019 to FY 2022</b>	<b>32,244,999.32</b>

### Risk

1.1.1.5 Non-remittance of collection on fuel levy fees may deny the entity of the much-needed resources to achieve the mandate and objectives of the entity.

1.1.1.6 Management may be non-compliant with Section 6.1(a-d) of the National Road Fund (NRF) Act of 2016.

### Recommendation

1.1.1.7 Management should liaise with the relevant authority at the MFDP to ensure that total unremitted fuel levy fees for the periods FY2018/2019 to FY2022 amounting to US\$32,244,999.32 comprehensively catalogued in Table 1c above are remitted to the NRF escrow bank accounts within ninety (90) days after the issuance of the Auditor General's Report to the National Legislature. Evidence of subsequent remittances of fuel levy fees including original copies of bank statements and all relevant supporting records should be submitted to the Office of the Auditor General for validation and subsequently documented and filed to facilitate future review.



- 1.1.1.8 Going forward, Management should liaise with the relevant authority at the Ministry of Finance and Development Planning to facilitate full and timely remittances of fuel levy fees to the NRF escrow bank account.
- 1.1.1.9 Management should liaise with the relevant authority of the National Legislature to ensure that the NRF is officially represented during the lifting processes of all petroleum products from the bounded facilities at LPRC to ensure that the NRF receives copies of actual petroleum products lifted. This will aid the NRF in recomputing actual revenue from fuel levy fees due to the entity.
- 1.1.1.10 Management should also perform periodic reconciliation among the NRF recomputed revenue from fuel levy fees, LRA revenue collection detailed reports and fuel levy fees remitted to NRF escrow bank account. Gaps identified should be investigated and adjusted where applicable in a timely manner. Evidence of periodic reconciliation reports should be adequately documented and filed to facilitate future review.

#### **Management's Response**

- 1.1.1.11 *Management has accepted the suggestions made by the General Auditing Commission. Nonetheless, the administration has done everything possible (...the Ministry of Finance & Development Planning has received three formal communications from us seeking assistance in mitigating the problem...) to ensure that the funds are remitted on time. Additionally, the NRF Management would ensure that, as advised, recalculation of revenue from the fuel levy fees and LRA revenue collection is periodically reconciled. **Exhibit 1.1.1***

#### **Auditor General's Position**

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

### **1.1.2 Variance in GOL Remittances Per NRF Escrow Bank Accounts and Financial Statements of Fuel Levy Fees**

#### **Criteria**

- 1.1.2.1 Section 36(1) of the Amended and restated Public Financial Management (PFM) Act of 2019 states that "It is a general responsibility under this Act for all government officials handling public financial transactions to ensure that financial information is reported in a timely, comprehensive, and accurate manner, in the manner prescribed in this Act, under its regulations, and in instruction issued by the Minister".
- 1.1.2.2 Part 1, Paragraph 1.1.1 of the IPSAS Cash Basis of Accounting 2017 states that, "The cash basis of accounting recognizes transactions and events only when cash (including cash equivalents) is received or paid by the entity. Financial statements prepared under the cash basis provide readers with information about the sources of cash raised during the period, the purposes for which cash was used and the cash balances at the reporting date. The measurement focus in the financial statements is balances of cash and changes therein. Notes to the financial statements may provide additional information about liabilities, such as

payables and borrowings, and some non-cash assets, such as receivables, investments and property, plant and equipment.”

**Observation**

- 1.1.2.3 During the audit, we observed that total collection of actual remittances of fuel levy fees remitted to NRF escrow bank accounts from FY2020/2021 to FY2022 amounted to US\$53,202,387.99, whilst the NRF Financial Statements reported the collection of remittances of US\$57,541,385.64, resulting in a variance of US\$4,338,997.65. **See below Table 2 and Annexure 2 for details:**

**Table 2: Variance in GOL Remittances Per NRF Escrow Bank Accounts and Financial Statements of Fuel Levy Fees**

ACTUAL GOL REMITTANCES TO NRF ESCROW ACCOUNTS					
FISCAL YEAR	GOL REMITTANCES (USD) (A)	GOL REMITTANCES (LRD) (B)	CBL Exchange selling rates at end of Month (C)	GOL REMITTANCES (Equivalent USD) D=(B/C)	Consolidated GOL Remittances (USD) E=(A+D)
FY2020/2021	18,938,651.62	663,680,092.83	180.72	3,672,436.17	22,611,087.79
SBY2021	6,155,538.81	50,000,000.00	151.13	330,840.56	6,486,379.37
FY2022	20,010,736.06	623,331,439.96	152.25	4,094,184.77	24,104,920.83
<b>TOTAL (a)</b>	<b>45,104,926.49</b>	<b>1,337,011,532.79</b>	<b>165.11</b>	<b>8,097,461.50</b>	<b>53,202,387.99</b>
GOL REMITTANCES PER NRF FINANCIAL STATEMENTS					
FY					
2020/2021	20,410,293.40	663,680,092.83	179.50	3,697,453.47	24,107,746.87
SBY 2021	6,157,355.09	50,000,000.00	151.13	330,840.91	6,488,196.00
FY 2022	20,010,736.06	623,331,439.96	89.89	6,934,706.71	26,945,442.77
<b>TOTAL (b)</b>	<b>46,578,384.55</b>	<b>1,337,011,532.79</b>	<b>121.96</b>	<b>10,963,001.09</b>	<b>57,541,385.64</b>
<b>Variance (a-b)</b>	<b>(1,473,458.06)</b>	<b>-</b>	<b>-</b>	<b>(2,865,539.59)</b>	<b>(4,338,997.65)</b>

**Risk**

- 1.1.2.4 The completeness and accuracy of revenue from fuel levy fees may not be assured; therefore, the financial statements may be misstated. Revenue from fuel levy fees may be overstated.
- 1.1.2.5 Management may be noncompliant to Part 1, Paragraph 1.1.1 of the IPSAS Cash Basis of Accounting 2017.

**Recommendation**

- 1.1.2.6 Management should account for the variance between the actual remittances of fuel levy fees remitted to NRF escrow bank accounts and the total revenue from fuel levy fees recorded in the NRF Financial Statements.
- 1.1.2.7 Management should adjust the financial statements by the variances observed between the actual remittances of fuel levy fees to the escrow bank accounts and the fuel levy fees



recorded in the NRF Financial Statements. The adjusted financial statements should be submitted to the Office of the Auditor General as part of Management's response to this Management Letter.

- 1.1.2.8 Going forward, 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. Further, an automated linkage should be created among the general ledger, the trial balance, and the financial statements to facilitate completeness and accuracy of the financial statements.

#### **Management's Response**

- 1.1.2.9 *Your views and recommendations have been acknowledged by Management. In the re-stated financial statement, the adjustment will be made. Fuel levy collected by the LRA from FY July 1, 2020-June 30, 2021, which was remitted in July 2021 of the special budget year (July-December 2021), was the reason for the difference.*

#### **Auditor General's Position**

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

### **1.1.3 Reduction in Levy on Fuel without Legislative Approval**

#### **Criteria**

- 1.1.3.1 Section 4 (h) of the National Budget Act of 2019/2020, requires that "That by the passage of the budget of Legislature affirms and gives appropriation to the US\$0.30 levy on every petroleum product imported into the Republic of Liberia. Consistent with the Act establishing the National Road Fund Office, to be collected by the Liberia Revenue Authority (LRA) and deposited into the Account of the National Road Fund, which is an integral part of the national Budget."
- 1.1.3.2 Additionally, Section 2, Paragraph 2 of the preface of the National Budget 2020/2021, requires that "In order to augment tax revenue in FY 2020/2021, an excise tax of US\$0.30 is introduced on each gallon of petroleum product that will be imported. Although the measure is aimed at generating approximately US\$30 million based on the import volume forecast of 100 million gallons of product, the revenue forecast is cautiously derived with consideration for implementation hurdles and operationalization concerns in mind, given that this is a new policy measure."
- 1.1.3.3 Section 7.4, Paragraph (1) of the National Budget Act of 2020/2021, requires that "Investment in road infrastructure is a key priority of the Government's Pro-Poor Agenda. The Government is committed to improving Liberia's road infrastructure as part of delivering its vision for a sustained and equitable growth required to bring prosperity to Liberians across the country. In pursuit of this goal, the Road Fund Act, which specifies the collection of a fuel levy and appropriates funding for a range of road infrastructure including, rehabilitation, maintenance, and emergency works, was adopted."



### Observation

- 1.1.3.4 During the audit, we observed that the approbation given for US\$0.30 levy on every petroleum product imported into the Republic of Liberia was reduced to US\$0.25 by the LRA from April 2021 to June 30, 2021, without evidence of Legislative approval as required.
- 1.1.3.5 Further, we observed that as a result of the adjustment in the approved tariff, the NRF projected revenue from fuel levy fees was reduced by US\$1,293,148.00. **See below Table 3 for details.**

**Table 3: Reduction in Levy on Fuel without Legislative Approval**

Description/ Year & Months 2020/2021	Total Quantity A	Total in US\$ at Rate of US\$0.30 B = (A* 0.30)	Total in US\$ at Rate of US\$0.25 C =(A*0.25)	Total Variance in US\$ D=(B-C)
21-Apr	8,939,118	2,681,735	2,234,780	446,956
21-May	8,923,601	2,677,080	2,230,900	446,180
21-Jun	8,000,244	2,400,073	2,000,061	400,012
<b>Grand Total</b>	<b>25,862,963</b>	<b>7,758,889</b>	<b>6,465,741</b>	<b>1,293,148</b>

### Risk

- 1.1.3.6 Adjustment of approved tariff without Legislative approval may be noncompliant with Section 4 (h) of the National Budget Act of 2019/2020. This may lead to unapproved reduction in fuel levy fees due to the NRF.
- 1.1.3.7 Unauthorized reduction to approved tariff may lead to non-achievement of the NRF objectives.

### Recommendation

- 1.1.3.8 Management should provide substantive justification for adjustment to approved tariff for the collection of fuel levy fees without Legislative approval.
- 1.1.3.9 Going forward, Management should liaise with the relevant authority of the National Legislature and obtain written approval before adjustment to the prevailing tariff approved for the current fiscal year. Evidence of written Legislative approval should be adequately documented and filed to facilitate future review.

### Management's Response

- 1.1.3.10 *Regarding the change to the gasoline levy rates per gallon, management has taken note of your remark and the following recommendation. The National Road Fund fuel levy rates were not altered, per a rate review; nonetheless, the decrease was made in accordance with an MOU that the MFDP, LPRC, and NRF signed on April 7, 2018. The 0.30 was still being collected, of which 0.25 was paid to the NRF and the remaining 0.05 was the NRF's share of the LPRC's storage tank rehabilitation. While this is not a rate adjustment, we will make sure that any future changes to the gasoline levy collection tariff are reviewed and authorized by the National Legislature if we have any.*

**Auditor General’s Position**

1.1.3.11 Management’s assertions did not adequately address the issues raised. Consistent with Section 4 (h) of the National Budget Act of 2019/2020, the full US\$0.30 levy on every gallon of petroleum products imported into the Republic of Liberia should have been deposited into the NRF bank account as required except otherwise adjusted by the Legislature. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

**1.1.4 No Tax Levies on some Petroleum Products Imported into the Country**

**Criteria**

1.1.4.1 Section 5.2, Paragraph 1 & 2 of the Act of National Road Fund (NRF) 2016 requires that “The road user charging system (1) A Road User Charging System shall be established which shall raise funds for the Road Fund; (2) Sources of road use charges, authorized through this act, include:

- a. Charges on motor vehicles traveling within the Road Network of the Republic of Liberia, whether foreign or national, based upon the vehicle’s mass, length, width, height, loading, number of axles, distance covered or a combination of all of the factors mentioned herein.
- b. Entry fees levied on all foreign motor vehicles entering the territory of the Republic of Liberia.
- c. Registration and license fees of motor vehicles and drivers.
- d. A levy on every gallon of petroleum product imported into the country.

**Observation**

1.1.4.2 During the audit, we observed that a significant portion of petroleum products was imported into the country without the appropriate taxes being levied. We observed no evidence of charges levied on petroleum products such as Heavy Fuel Oil (HFO), Premium Motor Oil (PMO)-a high-quality motor oils; Liquefied Petroleum Gas (LPG)- typically refers as cooking gas which is stored under pressure as a liquid and is commonly supplied in portable cylinders or larger tanks for residential, commercial, and industrial use.

1.1.4.3 Further, we observed that the Liberia Revenue Authority (LRA) and the National Road Fund (NRF) Managements did not charge the levy on Heavy Fuel Oil (HFO) and Jet-A1 fuel, resulting in significant revenue losses of US\$1,106,054.93 for HFO and \$899,129.09 for Jet-A1 for the fiscal period 2022. **See below table 4(a and b) for details.**

**Table 4a : No Tax Levies on some Petroleum Product (HFO) imported into the Country**

HFO IMPORTED 2022			
DATE	VESSEL NAME	QTY IN US GAL (A)	LEVY FEE d=(A*0.30)
7-Mar-22	MT. "DUKE"	659,520.00	197,856.11
1-Jun-22	MT. "MONJASA"	691,906.00	207,571.81
19-Jul-22	MT. "MONJASA"	963,975.00	289,192.61
25-Aug-22	MT. "CENTRAL"	1,371,448.00	411,434.40
	<b>TOTAL</b>	<b>3,686,850.00</b>	<b>1,106,054.93</b>



**Table 4b: No Tax Levies on some Petroleum Product (Jet-A1 fuel) imported into the Country**

DATE	VESSEL	QTY -MT (A)	QTY- GALLONS (B)	1.5% wastage C=(B*1.5%)	BALANCE QTY- GALLONS D=(B-C)	FUEL LEVY FEE US\$ E=(D* 0.30)
5-Jan-22	RIDGEBURRY APOLLO	714.72	232,894	3,493	229,401	68,820.18
14-Jan-22	HAFNIA GREEN	790.42	267,989	4,020	263,969	79,190.75
26-Feb-22	CENTRAL	1,035.18	343,781	5,157	338,624	101,587.29
20-Mar-22	SPIRIT	599.14	200,147	3,002	197,145	59,143.44
17-May-22	ALTHEA	2,368.04	789,276	11,839	777,437	233,231.06
30-May-22	FIONA SWAN	928.34	311,529	4,673	306,856	92,056.82
29-Jun-22	FIONA SWAN	862.46	287,531	4,313	283,218	84,965.41
30-Oct-22	HAMMERHEAD	384.93	127,239	1,909	125,330	37,599.12
15-Nov-22	CHALLENGE PRELUDE	1,445.24	482,352	7,235	475,117	142,535.02
<b>TOTAL</b>		<b>9,128.47</b>	<b>3,042,738</b>	<b>45,641</b>	<b>2,997,097</b>	<b>899,129.09</b>

**Risk**

- 1.1.4.4 Non-application of approved tariff on some petroleum products may lead to loss of much needed revenue by the GoL.
- 1.1.4.5 The completeness and accuracy of revenue from fuel levy fees may not be assured. Therefore, the financial statements may be misstated. Management may not fully account for its revenue.

**Recommendation**

- 1.1.4.6 Management should provide substantive justification for non-application of approved tariff on some petroleum products such as HFO, PMO, and LPG (also known as cooking gas).
- 1.1.4.7 Going forward, Management should immediately commence the charging of approved annual tariff for fuel levy to all petroleum products as required.

**Management's Response**

- 1.1.4.8 Management acknowledges the Auditors recommendation and will take appropriate action.

**Auditor General's Position**

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



### **1.1.5 Fuel Levy Fees not remitted Directly to NRF Escrow Bank Account**

#### **Criteria**

- 1.1.5.1 Section 2.1, of the National Road Fund Act of Liberia 2016, requires that "All funds of the NRF shall be held in the Fund Account from which disbursement shall be made solely for the purpose of financing the approved Annual Road Maintenance Expenditure Program and directly related costs as hereby required in this Act."
- 1.1.5.2 Furthermore, Section 5.5. Annex V §5 (e)(i) of the Millennium Challenge Account (MCA)-Liberia Report 2021, requires that "Conditions Precedent to each Disbursement of MCC Funding for the Matching Road Maintenance Fund Sub-Activity, The Government will have provided evidence, in form and substance satisfactory to MCC that at least 90% of the total road user charges collected for the purpose of the NRF are duly deposited to a bank account established for the purposes of the collection and disbursement of funds on behalf of the NRF (the "NRF Account") as per an agreed transfer schedule between the Minister of Finance and Development Planning and the National Road Fund Manager."

#### **Observation**

- 1.1.5.3 During the audit, we observed that fuel levy fees collected by LRA was deposited into the Government of Liberia (GOL) Consolidated Account at the Central Bank of Liberia, instead of collection be made directly to NRF Fund Escrow bank Account held at the CBL.

#### **Risk**

- 1.1.5.4 Revenue from fuel levy fees initially deposited into the consolidated accounts may not be subsequently remitted to the NRF escrow bank accounts or not remitted in a timely manner as required. This may impair the achievement of the NRF mandate and objectives.
- 1.1.5.5 The completeness and accuracy of revenue may not be assured. Therefore, the financial statements may be misstated.
- 1.1.5.6 The receipt of matching funds from the MCC may be impaired due to under collection of revenue from fuel levy fees.

#### **Recommendation**

- 1.1.5.7 Management should liaise with the LRA and the MFDP to ensure that all importers obtain the LRA billing analysis forms which comprehensively catalogued the various segments of fuel levy and ensure that Fuel levy due to NRF is remitted directly to the NRF escrow bank accounts.
- 1.1.5.8 Management should liaise with the relevant authority at the MFDP to ensure that unremitted fuel levy fees for the period FY 2020/2021 to FY 2022 amounting to US\$7,378,360.78 comprehensively catalogued in Table 1a above are immediately remitted to the NRF escrow bank accounts. Evidence of subsequent remittances of fuel levy fees including original copies of bank statements and all relevant supporting records should be adequately documented and filed to facilitate future review.



- 1.1.5.9 Going forward, Management should liaise with the relevant authority at the Ministry of Finance and Development Planning to facilitate full and timely remittances of fuel levy fees to the NRF escrow bank account.
- 1.1.5.10 Management should liaise with the relevant authority of the National Legislature to ensure that the NRF is officially represented during the lifting processes of all petroleum products from the bounded warehouses to ensure that the NRF receives copies of actual petroleum products lifted. This will aid the NRF in recomputing actual revenue from fuel levy fees due to the entity.
- 1.1.5.11 Management should also perform periodic reconciliation among the NRF recomputed revenue from fuel levy fees, LRA revenue collection detailed reports and fuel levy fees remitted to NRF escrow bank account. Gaps identified should be investigated and adjusted where applicable in a timely manner. Evidence of periodic reconciliation reports should be adequately documented and filed to facilitate future review.

#### **Management's Response**

- 1.1.5.12 *We note your observation and recommendation. Management will liaise with the relevant authority at the MFDP to ensure that unremitted fuel levy fees for the period FY 2020/2021 to FY 2022, amounting to US\$7,378,360.78, are remitted to the NRF escrow bank accounts, and we will facilitate full and timely remittances of fuel levy fees to the NRF escrow bank account.*
- 1.1.5.13 *Although we have been engaging the authorities at the LPRC and LRA to have a representation as the LPRC and we have not been successful, however, as recommended in count 1.1.5.9 above, we will liaise with the relevant authority of the National Legislature to ensure that the NRF is officially represented during the lifting processes of all petroleum products from the bounded warehouses to ensure that the NRF receives copies of actual petroleum products lifted. This will aid the NRF in recomputing actual revenue from fuel levy fees due to the entity.*
- 1.1.5.14 *We would like to receive all of the fuel levies directly to the NRF designated escrow accounts for proper reconciliation, predictability and accountability. We will be happy to sit with the GAC to understand if we will not be in breach of Section 4 of the PFM Law of 2009 and it accompany regulation "B" Which requires that all payment of such nature should be made to the Consolidated funds.*

#### **Auditor General's Position**

- 1.1.5.15 We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit. Kindly note that the timely remittance of approved fuel levy to the NRF's escrow bank account by the MFDP does not imply the non-deposit of total fuel levy to the consolidated account as required.



### 1.1.6 Interest Revenue Arrangement with Banks with no Formal Agreement

#### Criteria

- 1.1.6.1 IPSAS 29 provides guidance on the recognition, measurement, and disclosure of financial instruments, including interest income. Below are the key principles and best practices in financial management related to interest income as outlined in IPSAS 29.
- 1.1.6.2 Further, Paragraph (1 & 3) and Paragraph (1), of IPSAS 29 on Interest Income and Best Practices in Financial Management for Interest Income requires that "(1) Effective Interest Rate Method (EIR): Interest income should be recognized using the Effective Interest Rate (EIR) method. The EIR method is used to calculate the amortized cost of a financial asset or liability and allocate interest income or expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset. (2) Recognition of Interest Income: Interest income should be recognized in profit or loss using the EIR method for financial assets measured at amortized cost. Interest income should be accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable. (1) Best Practices in Financial Management for Interest Income, Formal Documentation: Ensure all interest-bearing financial instruments are documented with formal agreements or contracts specifying the terms and conditions, including interest rates, payment schedules, and maturity dates."
- 1.1.6.3 Section 3.3 (a-b) of the NRF Act states that" the IMSC shall ensure coordination of policy objectives affecting the road sector and provide policy guidance and leadership to the Office of the Road Fund.
- 1.1.6.4 Additionally, Section 3.4 (a) of the NRF Act states that" Regular meetings shall be held every three (3) months or more frequently if business requires, as determined by the IMSC.

#### Observation

- 1.1.6.5 During the audit, we observed in the financial statements of FY2020/2021 and Special Budget Year 2021, the total sum of US\$28,143.00 and US\$400.00 representing interest income received from various unknown bank accounts. However, we obtained no evidence of a formal agreement or contract specifying the terms and conditions of the interest earned on deposits and the associated banks for which the agreements were entered into.

#### Risk

- 1.1.6.6 In the absence of adequate supporting documents, the validity, occurrence, and accuracy of interest income may not be assured. This may lead to misstatement of interest income and subsequently the financial statements.
- 1.1.6.7 The absence of adequate supporting documentation for transactions may also lead to fraudulent financial management practices, through the processing of illegitimate transactions.



- 1.1.6.8 Short-term time deposit without approval by the Inter-Ministerial Steering Committee (IMSC) may lead to unauthorized investment and misappropriation/misapplication of the entity's fund.

**Recommendation**

- 1.1.6.9 Management should account for the unsupported interest income amounting to US\$28,143.00 and US\$400.00 for FY2020/2021 and SBY2021 respectively. Management should also submit the interest income portfolio agreement with the bank(s) to the Office of the Auditor General as part of Management's response to this Management Letter.
- 1.1.6.10 Going forward Management should ensure that all investment portfolios are approved by the IMSC as required.
- 1.1.6.11 Management should ensure that all transactions are supported by the requisite supporting documents consistent with the financial management regulations. Documentation such as contracts, original copies of bank statements, requests for portfolio, etc. should be prepared and approved for all investment portfolios, where applicable.
- 1.1.6.12 Management should also facilitate the operationalization of the electronic document management system by ensuring all relevant source and supporting documents for investment facility transactions are scanned, attached to the transactions in the accounting software, archived and maintained to facilitate future review.

**Management's Response**

- 1.1.6.13 *Management acknowledges the audit finding and clarifies that the agreements were based on our long-standing relationships and understanding with our banking partners as well as the verbal agreement of the Inter-Ministerial Steering Committee (IMSC). These arrangements have historically functioned without issue, and the funding raised through them has been duly reported in the financial statements.*
- 1.1.6.14 *However, moving forward, management is committed to strengthening governance over financial arrangements. We will ensure that every investment portfolio has the necessary IMSC approval prior to execution. We also recognize that formalizing these arrangements in writing is essential to establish clear terms and ensure accountability, particularly as the organization continues to grow and enhance its risk management framework.*

**Action Plan:**

- *All existing interest-bearing arrangements with our banking partners have been discontinued pending formalization.*
- *We are in the process of drafting and signing formal agreements, which will clearly define interest rates, payment terms, frequency, and other relevant conditions.*
- *A Standard Operating Procedure (SOP) will be developed to incorporate these requirements, ensuring that all future interest revenue arrangements are documented with formal agreements prior to execution.*
- *The Finance Department will conduct a comprehensive review of all current banking relationships to ensure full compliance, with formal documentation to be completed by July 31, 2025.*



1.1.6.15 *We are committed to continuous improvement and thank the auditors for their valuable recommendations. The auditor's recommendation is accepted by management. Moving forward, management will make sure that every investment portfolio has the necessary IMSC approval.*

#### **Auditor General's Position**

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

### **1.1.7 Irregularity Associated with Revenue (Bidding Fees)**

#### **Criteria**

1.1.7.1 Regulation B.9 (1)(d) of the PFM Act of 2009 as amended and restated 2019 states, "the head of government agency shall fully disclose all non-tax revenues collected, lodged or retained as part of the monthly revenue collection and quarterly Government agency account or financial report to the Minister and the Auditor General. The reporting format shall include, but not limited to: (d) non-Tax Revenue including Internally Generated Funds due but not collected."

#### **Observation**

1.1.7.2 During the audit, we observed that the bid fee of US\$4,850.00 was not included in the total other income reported in the financial statements or in the notes to the financial statements for FY2020/2021.

#### **Risk**

1.1.7.3 The completeness and accuracy of revenue may not be assured; therefore, revenue and subsequently the financial statements may be misstated.

1.1.7.4 Management may not fully account for its revenue.

1.1.7.5 Non-disclosure of some sources of revenue may facilitate fraudulent financial reporting and misappropriation of public funds.

#### **Recommendation**

1.1.7.6 Management should adjust the financial statements and include on the face and in the notes to the financial statements' revenue from bidding fees under the caption "other income".

1.1.7.7 Going forward, Management should ensure that all transactions are comprehensively recorded on a real time basis. Management should also perform a comprehensive reconciliation among the invoices, receipts, payment vouchers, bank statements, general ledger, and the financial statements. Variances identified should be investigated and adjusted where applicable in a timely manner. Evidence of periodic reconciliation reports should be adequately documented and filed to facilitate future review.

1.1.7.8 Management should also procure and operationalize a functional accounting software to record all financial transactions of the entity. An automated control should be established such that transactions (along with supporting documents) posted by a junior staff must be



reviewed and approved by senior personnel before the transactions appear in the general ledger. Going forward, an automated linkage should be created between the general ledger, trial balance and the financial statements to facilitate completeness and accuracy of the financial statements.

### **Management's Response**

- 1.1.7.9 *The management has taken note of your comments and is pleased to notify you that the bid fee of US\$4,850.00 mentioned in count 1.1.7.2 was reported but incorrectly classified in the financial statements. The amount will now be classified as other income and a prior-year adjustment will be made to re-state the financial statements.*

### **Auditor General's Position**

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

## **1.1.8 Irregularities Associated with Accounts Receivables from Importers**

### **Criteria**

- 1.1.8.1 Regulation O.1 of the PFM Act of 2009 as amended and restated 2019 (Paragraph 3) States that " A head of government agency shall ensure that all persons liable to pay revenue are informed of bills, demand notes and other appropriate notices, of debts which are due and that adequate measures are taken to obtain payment.
- 1.1.8.2 Furthermore Regulation O.21 (Paragraph 1-3) of the PFM Act of 2009 as amended and restated 2019 States that " Government Agency revenue collectors shall keep records of moneys collected in such form as the Comptroller-General may determine and for such periods consistent with the provisions of Regulation 12. The records shall show the persons from whom revenue is due, description of liability, the amount payable, the date, location, receipt number and amount of the collections made. The records shall, wherever possible, be self-balancing and shall be reconciled with the cash collections monthly."

### **Observation**

- 1.1.8.3 During the audit, we observed the following irregularities associated with Accounts Receivable from importers due to NRF:
- Accounts receivables for FY 2020/2021 to FY 2022 were not included in the Accounts Receivables disclosed in the notes to the financial statements. We observed no evidence of accounts receivable ledgers, schedules and the corresponding supporting documents for FY 2020/2021 to FY 2022.
  - Payments toward accounts receivable balances for the period ended June 30, 2020 could not be confirmed due to the absence of supporting documents. **See Table 5 below for details:**
  - There was no evidence of an accounts receivables policy.
  - There was no evidence of an accounts receivables aging analysis.
  - There was no evidence of follow-up processes to facilitate the timely collection of receivables.
  - There was no evidence of periodic reconciliation and confirmation of receivables



balance.

- Management did not maintain a current expected credit loss model for account receivable balances for the periods under audit.

**Table 5: Irregularities Associated with Accounts Receivables from Importers**

<b>Audited Accounts Receivables Balances as at June 30, 2020 per GAC</b>				
<b>No.</b>	<b>Name of importers</b>	<b>Amount previously owed (USD)</b>	<b>Amount paid (USD) equivalent</b>	<b>Balance due per NRF FS</b>
		<b>A</b>	<b>B</b>	<b>C=(A-B)</b>
1	Conex Petroleum Services	8,540,760	413,963	8,126,797
2	Petro Trade	1,087,347	-	1,087,347
3	MOTC	1,736,894	-	1,736,894
4	NP Liberia	190,245	-	190,245
5	Srimex Oil and Gas Company	4,808,524	55,395	4,753,129
6	Kailondo Petroleum	167,271	-	167,271
7	Aminata & Sons	2,804,030	-	2,804,030
8	Nexium Petroleum	488,260	-	488,260
9	West Oil Investment	2,858,565	-	2,858,565
<b>TOTAL</b>		<b>22,681,896</b>	<b>469,358</b>	<b>22,212,538</b>

### **Risk**

- 1.1.8.4 The completeness and accuracy of Accounts Receivable may not be assured. Therefore, the financial statements may be misstated.
- 1.1.8.5 Non recording of Accounts Receivables for FY 2020/2021 to FY 2022 may lead to non-collection of much needed revenue due to the Government of Liberia. This may also facilitate fraudulent financial reporting and misappropriation of public funds.
- 1.1.8.6 Accounts Receivables due to NRF may not be deposited into the entity's designated bank accounts. This may lead to misappropriation of public funds.

### **Recommendation**

- 1.1.8.7 Management should account for Accounts Receivables for the period FY2020/2021 to FY2022, not recorded in the general ledger nor disclosed in the notes to the financial statements.
- 1.1.8.8 Management should prepare a comprehensive Revenue and Accounts Receivables reconciliation report detailing all payments made against the audited Accounts Receivable balances as at June 30, 2020, subsequent bills for petroleum lifted from July 1, 2020 to December 31, 2022 and the current Accounts Receivables balances as at December 31, 2022. All payments should be supported by and traced to bank statements and all bills should be traced to LRA revenue collection detail reports and related supporting documents. The report should be submitted to the Office of the Auditor General as part of Management's Response to this Management Letter.



- 1.1.8.9 Pending the above reconciliation, a payment plan should be crafted and agreed between NRF Management and the Managements of the importers for full settlement of all arrears. NRF Management should ensure full compliance to the terms of the agreed payment plan. The approved payment plan should be submitted to the Office of the Auditor General and the National Legislature for validation and subsequent compliance purposes. All delinquent importers license should be immediately revoked.
- 1.1.8.10 Going forward, Management should liaise with the relevant authority of the National Legislature to ensure that the NRF is officially represented during the lifting processes of all petroleum products from the bounded facilities at LPRC to ensure that the NRF receives copies of actual petroleum products lifted. This will aid the NRF in recomputing actual revenue from fuel levy fees due to the entity.
- 1.1.8.11 Management should also perform periodic reconciliation among the NRF recomputed revenue from fuel levy fees, LRA revenue collection detailed reports and fuel levy fees remitted to NRF escrow bank account. Gaps identified should be investigated and adjusted where applicable in a timely manner. Evidence of periodic reconciliation reports should be adequately documented and filed to facilitate future review.
- 1.1.8.12 Management should develop, approve and operationalize receivables management policy to regulate the recognition, collection, adjustment and management of accounts receivables. The policy should include a provision for compulsory payments of fuel levy fees due to the LRA from initial lifting of petroleum products before subsequent lifting of petroleum products are approved.
- 1.1.8.13 Account Receivables should be recorded in a comprehensive, accurate and timely manner consistent with the financial reporting framework. Revenue should be recognized upon remittances of fuel levy fees to the NRF bank accounts from the consolidated accounts. Accounts Receivables should be comprehensively and accurately disclosed in the notes to the financial statements consistent with the IPSAS Cash Basis Financial Reporting Framework.
- 1.1.8.14 Management should establish receivable aging analysis to monitor the age of receivables and implement the specified actions to be taken based on the age of the debt consistent with the receivables management policy. The schedule should contain the following: names of the receivables, address of the receivables, contacts of receivables, date of recognition, initial invoice, payments, additional invoices, current receivables balance, and age grouping.

**Management's Response**

- 1.1.8.15 *The auditor's recommendation is accepted by management. The receivable policy is presently being drafted.*

**Auditor General's Position**

- 1.1.8.16 Management's assertion did not adequately address the issues raised. Management did not account for Accounts Receivables for the period FY2020/2021 to FY2022, not recorded in the general ledger nor disclosed in the notes to the financial statements. Management also did



not prepare a comprehensive Revenue and Accounts Receivables reconciliation report detailing all payments made against the audited Accounts Receivable balances as at June 30, 2020, subsequent bills for petroleum lifted from July 1, 2020 to December 31, 2022 and the current Accounts Receivables balances as at December 31, 2022 as requested. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

**1.1.9 Payables Due to LPRC from NRF**

**Criteria**

- 1.1.9.1 Paragraph 1 & 2 of the witnesseth to the Memorandum of Understanding (MOU) between NRF and LPRC July 4, 2018, requires that “whereas, LPRC is the Government of Liberia’s petroleum product storage facility and is in the process of rehabilitating its storage facilities, and whereas, agreed by the Inter-Ministerial Steering Committee (IMSC) to remit US\$0.05 Cent of each gallon of petroleum product collected by the Liberia Revenue Authority (LRA) and remitted to the National Road Fund (NRF) to accomplish the rehabilitation of Petroleum Storage Terminal (PST) in order to make LPRC continuously viable and meeting the marketing demands, and whereas, the Parties wish to enter into binding Agreement to ensure the expeditious and irreversible payment in a monthly basis of the rebate.”
- 1.1.9.2 Additionally, Section 6 of the Memorandum of Understanding (MOU) between NRF and LPRC July 4, 2018, requires that “This Agreement shall commence upon the signing of the MOU by the Parties and shall expire after a period of forty-eight (48) months unless otherwise renewed.”
- 1.1.9.3 PFM Regulations C.8 (Paragraph 2), states that “A head of agency or spending unit shall have overall responsibility and accountability for the collection and receipt of all revenues or the financial administration of the monies voted by Legislature for, or applied by statute to, the services under the control of his or her ministry or agency.”

**Observation**

- 1.1.9.4 During the audit, we observed that NRF Management recorded a total of US\$5,426,830 as a net receivable due from the Liberia Petroleum Refinery Company (LPRC). However, our review of MOU of LPRC and NRF, financial statements) revealed that NRF Management owed LPRC US\$ US\$3,100,428 during FY2022.
- 1.1.9.5 Further, we observed that NRF Management breached the Memorandum of Understanding (MOU) between LPRC and NRF Management by failing to pay US\$0.05 per gallon of petroleum products collected and remitted into the NRF Escrow Account between July 1, 2020 and June 30, 2022. **See below Table 6 and Annexure 3 for details:**

**Table 6: Payables Due to LPRC from NRF**

Description	Amount US\$	Amount US\$
Total transferred by MFDP to NRF Escrow Accounts FY2018/2019 and FY2019/2020 (a)	28,005,540.00	



Description	Amount US\$	Amount US\$
<b>Total Quantities b=(a/0.30)</b>	93,351,800.00	
Receivable to LPRC-of US\$0.05 cents <b>c=(b*0.05)</b>		4,667,590
<b>Less: Total Payments to LPRC FY2018/2019 and 2019/2020 per Financial Statements</b>		(3,268,762)
<b>Balance due to LPRC FY2018/2019 and 2019/2020 (d)</b>		<b>1,398,828</b>
Total transferred by MFDP to NRF Escrow Accounts FY2020/2021 to FY June 30, 2022	43,247,387.99	
<b>Total Quantities (e)</b>	159,796,548.78	
Receivable to LPRC-of US\$0.05 cents <b>f=(e*0.05)</b>		7,989,827
<b>Total Payments due to LPRC FY2020/2021 to FY2022 g=(d + f)</b>		<b>9,388,655</b>
Actual Amount Due from LPRC to the NRF for collection of fuel levies fess from July 1, 2017 to June 30, 2018 (h) (LPRC ML) in US\$	6,688,227.03	
<b>Less: Amount withheld from LPRC To Date (NRF F/S) in US\$</b>	400,000.00	
Actual Amount Due from LPRC to the NRF for collection of fuel levies fess from July 1, 2017 to June 30, 2018 (i) in US\$		(6,288,227)
<b>Grand Total Payments due to LPRC FY2020/2021 to FY2022 j=(g-i)</b>		<b>3,100,428</b>

### Risk

- 1.1.9.6 The inconsistency amounts reported between the financial statements and the LPRC Confirmation may undermine the integrity of financial statements.

### Recommendation

- 1.1.9.7 The Management of NRF should provide substantive justification backed by documentary evidence that LPRC owed the National Road Fund the amount of US\$5,426,830.
- 1.1.9.8 Going forward, the Management of NRF should liaise with the Management of the Liberia Revenue Authority to immediately establish a comprehensive payment plan to facilitate full liquidation of receivables due the NRF. Subsequently, Management should budget for and facilitate full compliance with the approved payment plan.
- 1.1.9.9 The Management of NRF should establish a policy that include period for follow ups and action taken at each phase of the system of operationalizing the penalty for non-payment

### Management's Response

- 1.1.9.10 *The auditors' recommendation has been acknowledged by management. The MFDP, LPRC, and NRF signed an MOU with the intention of withholding 0.05 for the storage tank's renovation. The project was finished ahead of time, fulfilling the MOU's purpose even though the NRF's portion was supposed to be reimbursed in 48 months. The LPRC never informed the NRF that a borrowing facility had been taken out against the MOU in order to speed up the rehabilitation project.*



- 1.1.9.11 Furthermore, the original contribution made by the NRF was adequate to pay the cost of the restoration project because the MFDP, who is also a member of the NRF's Supervisory Board, was not given any previous knowledge regarding the facilities taken.

### Auditor General's Position

- 1.1.9.12 Management's assertions did not adequately address the issues raised. Management did not provide substantive justification backed by documentary evidence that LPRC owed the National Road Fund the amount of US\$5,426,830 as requested. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

## 1.2 Financial Issues-Expenditure

### 1.2.1 Non-Withholding and Remittance of GST

#### Criteria

- 1.2.1.1 Section 200 of the Revenue Code of Liberia 2000 as amended in 2011 requires that an annual income tax is hereby imposed on the annual taxable income of every natural person resident in Liberia (including resident Liberian citizens employed by an embassy, a diplomatic mission, or international organization). The tax is collected during the tax year in accordance with the withholding rules of Section 905 or the advance payment rules of Section 904.
- 1.2.1.2 Further, Section 905 (J) of the Revenue Code of Liberia Act of 2000 as amended in 2011 states "within 10 days after the last day of the month, payer described in (a) is required to remit to the tax authorities the total amount required to be withheld during the month", and (m) stipulates "a person who has a withholding obligation under this section and fails to withhold and remit the amount of tax required to be withheld is subject to Section 52 penalty for late payment and failure to pay".

#### Observation

- 1.2.1.3 During the audit, we observed no evidence that the National Road Fund Management withheld and remitted 2% of US\$1,500,000, or US\$30,000.00, as goods and services taxes on payments to S.S.F Entrepreneur, Inc. **See below Table 7 for details.**

**Table 7: Non-Withholding and Remittance of GST**

Date	Description	Payee	Vouchers #	Check #	Amount US\$
21/04/2022	Advance payment under contract #: MPW-W-013-15/16 for pavement of (21.5km) of road from RIA highway to Marshall City	SSF Entrepreneur	0927	00844326	1,500,000.00

#### Risk

- 1.2.1.4 Failure to withhold and remit taxes may deny GoL of much needed tax revenue.



- 1.2.1.5 Management may be non-compliant with Section 905 (J) of the Revenue Code of Liberia Act of 2000 as amended in 2011 which may result in to penalties for late payment and failure to pay.
- 1.2.1.6 Non-remittance of withholding taxes may lead to an overstatement of the cash book and subsequently the financial statements.

**Recommendation**

- 1.2.1.7 Management should provide substantive justification for not withholding and remitting goods and services taxes to the LRA.
- 1.2.1.8 Management should facilitate full remittance of withholding taxes to the LRA in keeping with Sections 91 and 905 (J) of the Revenue Code of Liberia Act of 2000 as amended in 2011.
- 1.2.1.9 Going forward, Management should withhold all taxes and facilitate full remittance of same to the General Revenue Account in keeping with Section 905 (J) of the Revenue Code of Liberia Act of 2000 as amended 2011. Evidence of remittance of withholding taxes including original copies of flag receipts and other relevant supporting records should be adequately documented and filed to facilitate future review.

**Management's Response**

- 1.2.1.10 *Management appreciates the observation and would want to reiterate our commitment to full tax compliance and financial transparency. In accordance with this commitment, management requested that the Liberia Revenue Authority (LRA) undertake a complete tax compliance audit covering Personal Income Tax (PIT) and Goods and Services Tax (GST) for the relevant audit period. Following the successful completion of the audit, a tax bill was issued. The IMSC Board examined the outcome and approved the first instalment payment for the tax arrears. This payment was made in due course by the current management of the National Road Fund (NRF), and evidence of payment is given; Management remains dedicated to ensuring that all tax obligations are settled in a timely manner, and will continue to engage closely with the LRA and relevant stakeholders to maintain compliance standards. (Please see attached a reference detail of instalment payment).*
- 1.2.1.11 *The auditors' advice is accepted by NRF management; however, they have requested that the LRA conduct a tax compliance audit for the reviewed period, which has been completed and a bill issued. The IMSC board allowed the first payment to be made by the NRF against the tax arrears. Enclosed for your review is proof of payment.*

**Auditor General's Position**

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



## 1.2.2 Non-Withholding and Remittance of Personal Income Tax (PIT)

### Criteria

- 1.2.2.1 Section 200 of the Revenue Code of Liberia 2000 as amended in 2011 requires that an annual income tax is hereby imposed on the annual taxable income of every natural person resident in Liberia (including resident Liberian citizens employed by an embassy, a diplomatic mission, or international organization). The tax is collected during the tax year in accordance with the withholding rules of Section 905 or the advance payment rules of Section 904.
- 1.2.2.2 Further, Section 905 (J) and (M) of the Revenue Code of Liberia Act of 2000 states that; "Within 10 days after the last day of the month, payer described in (a) is required to remit to the tax authorities the total amount required to be withheld during the month", and (m) stipulates "a person who has a withholding obligation under this section and fails to withhold and remit the amount of tax required to be withheld is subject to Section 52 penalty for late payment and failure to pay".

### Observation

- 1.2.2.3 During the audit, we observed no evidence of Personal Income Tax (PIT) amounting to US\$122,320.80 being withheld and remitted into GoL Revenue Account for the period under audit. **See below Annexure 4 for details.**

### Risk

- 1.2.2.4 Failure to withhold and remit PIT may deny GoL of the much-needed tax revenue.
- 1.2.2.5 Management may be noncompliant with Section (905) J. of the Revenue Code of Liberia 2000, which may result in to penalties for late payment and failure to pay. Please see Section 52 of the Revenue Code of Liberia as referenced above.
- 1.2.2.6 Non-remittance of PIT may lead to an overstatement of the cash book and subsequently the financial statements.

### Recommendation

- 1.2.2.7 Management should provide substantive justification for not withholding and remitting PIT.
- 1.2.2.8 Going forward, Management should withhold PIT on all disbursement of remunerations and facilitate full remittance of PIT to the general revenue account in keeping with Section 905 (J) of the Revenue Code of Liberia Act of 2000 as amended in 2011.
- 1.2.2.9 Evidence of remittance including original copies of flag receipts and other relevant supporting records should be adequately documented and filed to facilitate future review.

### Management's Response

- 1.2.2.10 *Management appreciates the observation and would want to reiterate our commitment to full tax compliance and financial transparency. In accordance with this commitment, management requested that the Liberia Revenue Authority (LRA) undertake a complete tax compliance audit covering Personal Income Tax (PIT) and Goods and Services Tax (GST) for the relevant audit period. Following the successful completion of the audit, a tax bill was*



*issued. The IMSC Board examined the outcome and approved the first instalment payment for the tax arrears. This payment was made in due course by the current management of the National Road Fund (NRF), and evidence of payment is given; Management remains dedicated to ensuring that all tax obligations are settled in a timely manner, and will continue to engage closely with the LRA and relevant stakeholders to maintain compliance standards. (Please see attached a reference detail of instalment payment).*

- 1.2.2.11 *The auditors' advice is accepted by NRF management; however, they have requested that the LRA conduct a tax compliance audit for the reviewed period, which has been completed and a bill issued. The IMSC board allowed the first payment to be made by the NRF against the tax arrears. Enclosed for your review is proof of payment.*

#### **Auditor General's Position**

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

### **1.2.3 Double Emoluments of Statutory Members of IMSC (Sitting Fees)**

#### **Criteria**

- 1.2.3.1 Section 9.10 of the Code of Conduct for Public Officials and Employees of the Government of Liberia 2014, requires that "Officials and Employees of Government shall not, while receiving or being paid salaries by the Government, at the same time receive or be paid salary by any other public office unless it is established that such additional employment is in the public interest [e.g. teaching at public educational institutions], and that such service does not conflict with the Public Official or Employee of Government's principal employment."

#### **Observation**

- 1.2.3.2 During the audit, we observed that the statutory board members received board fees amounting to US\$15,000.00 while receiving regular salaries and benefits from their respective government entities of employment, non-compliant with Section 9.10 of the Code of Conduct for Public Officials and Employees of the Government of Liberia 2014. **See below Table 8a for details.**

**Table 8a: Double Emolument/Statutory Members of IMSC (Sitting Fees)**

Date	Voucher #	Check #	Description	Amount in US\$
06-Jul-22	721	E-payment	Payment of IMSC Setting fees	15,000.00
<b>Total</b>				<b>15,000.00</b>

- 1.2.3.3 Further, during the audit, we observed that a member of the statutory board received an honorarium fee of US\$5,000.00 in addition to the normal salary and benefits provided by the government. **See below table 8b for details.**



**Table 8b: Double Emolument/Statutory Members of IMSC (Sitting Fees)**

No	Voucher Date	Payee	Check #	Bank	Expenditure Description	Amount (US\$)
1	1-Jun-21	Samuel A. Wiue - Minister of Transport	790377	UBA Loan	Honorarium to road safety workshop attendance	5,000.00
<b>Total</b>						<b>5,000.00</b>

**Risk**

1.2.3.4 Management may be noncompliant with Section 9.10 of the Code of Conduct for Public Officials and Employees of the Government of Liberia 2014.

1.2.3.5 Disbursement of honorarium and board fees to board members receiving salaries and benefits at other GoL entities may lead to misapplication of public funds.

**Recommendation**

1.2.3.6 Management should provide substantive justification for facilitating disbursement of honorarium and board fees to statutory board members noncompliant with Section 9.10 of the Code of Conduct for Public Officials and Employees of the Government of Liberia 2014.

1.2.3.7 Going forward, Management should immediately discontinue subsequent disbursement of honorarium and board fees to statutory board members consistent with Section 9.10 of the Code of Conduct for Public Officials and Employees of the Government of Liberia 2014.

**Management's Response**

1.2.3.8 *The auditors' recommendation has been acknowledged by management. In accordance with the IMSC bylaws and the fiscal rules of 2025, it has ceased paying honoraria and board sitting fees for FY 2024.*

**Auditor General's Position**

1.2.3.9 Management's assertion did not adequately address the issues raised. Management did not provide substantive justification for facilitating disbursement of honorarium and board fees to statutory board members noncompliant with Section 9.10 of the Code of Conduct for Public Officials and Employees of the Government of Liberia 2014 as requested. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

**1.2.4 Transactions without Adequate References and Supporting Documents**

**Criteria**

1.2.4.1 Regulations A.3 of the Public Financial Management (PFM) Act of 2009 as amended and restated 2019 states" any public officer concerned with the conduct of financial matters of the Government of Liberia, or the receipt, custody and disbursement of public and trust moneys, or for the custody, care and use of government stores and inventories shall keep books of accounts and proper records of all transactions and shall produce the books of



accounts and records of the transactions for inspection when called upon to do so by the Auditor General, the Comptroller General, the relevant internal auditor or any officers authorized by them, by the Minister.”

### Observation

- 1.2.4.2 During the audit, we observed that several payments recorded in the entity bank statements amounting to US\$6,037,209.79 and L\$30,240,460.00, without detailed descriptions including payees, purposes of the transactions, check numbers, payment voucher numbers, etc. Further, Management did not provide the relevant supporting documents to substantiate the legitimacy of these transactions. **See below Table 9(a & b) and Annexure 5 for details.**

**Table 9a: Transactions without Adequate References and Supporting Documents**

No.	Date	CHK #	Amount US\$
1	FY 2020/2021	N/A	743,057.52
2	SBY 2021	N/A	70,039.19
3	FY2022	N/A	5,224,113.08
	<b>Total</b>		<b>6,037,209.79</b>

**Table 9b: Transactions without Adequate References and Supporting Documents**

No.	Date	CHK #	Amount L\$
1	FY 2020/2021	N/A	840,460.00
2	SBY2021	N/A	29,400,000.00
	<b>Total</b>	<b>N/A</b>	<b>30,240,460.00</b>

### Risk

- 1.2.4.3 Payments may be made for goods not delivered or services not performed. Goods delivered or services performed may not meet the approved specifications.
- 1.2.4.4 In the absence of payment references and adequate supporting documents, the validity, occurrence, and accuracy of payments may not be assured. This may lead to misappropriation of the entity’s funds.
- 1.2.4.5 The absence of payment references and adequate supporting documentation for transactions may also lead to fraudulent financial management practices, through the processing and disbursement of illegitimate transactions.
- 1.2.4.6 Management may override the procurement processes by completing disbursement without utilizing the required procurement methods.

### Recommendation

- 1.2.4.7 Management should fully account for expenditures made without payment references and adequate supporting documents comprehensively catalogued in Table 9(a & b) and Annexure 5.
- 1.2.4.8 Going forward, Management should ensure all transactions are supported by the requisite supporting documents consistent with the financial management regulations. Documentation such as contracts, invoices, goods received notes, job completion certificates, purchase



orders, payment vouchers etc. should be prepared and approved for the procurement of goods and services where applicable. All relevant supporting records should be adequately documented and filed to facilitate future review.

- 1.2.4.9 Additionally, Management should facilitate the operationalization of the electronic document management system by ensuring that all relevant source and supporting documents are scanned, attached to the transaction (in the accounting software for financial transactions), archived and maintained to facilitate future review.
- 1.2.4.10 Management should facilitate comprehensive and accurate recording of all transactions in the general ledger and the financial statements. Information such as the date of the transaction, the nature of the transaction, payees, payment vouchers and check numbers, the value of the transaction, etc. should be recorded in the general ledger. An automated control should be established such that transactions (along with supporting documents) posted by a junior staff must be reviewed and approved by senior personnel before the transactions appear in the general ledger. Going forward, an automated linkage should be created among the general ledger, the trial balance, and the financial statements to facilitate completeness and accuracy of the financial statements.
- 1.2.4.11 Management should also liaise with their bankers to facilitate comprehensive and accurate recording of all transactions for effective and efficient review and reconciliation purposes.

#### **Management's Response**

1.2.4.12 *Management acknowledges the audit findings and states that it will work with all of its banking partners to request more detailed narrative descriptions for each transaction in future statements to ensure consistency in recording inflows and outflows of funds to the entity's accounts, allowing for efficient review and reconciliation. We recognize that the absence of detailed references—such as payee names, check numbers, or transaction identifiers—can impede the traceability of some transactions. Management remains committed to ensuring the reliability of financial records and will continue to work with our banking provider and internal teams to improve the quality and traceability of transaction documentation. To address this matter, management has planned to take the following actions:*

- *Liaise with the bank to improve and enhance our internal processes by ensuring that each transaction is supported by internal documentation clearly linking it to corresponding journal entries or source documents.*
- *That additional reconciliation procedures will be implemented to correlate transactions with internal records where bank references are lacking, assuring accuracy in financial reporting.*

#### **Auditor General's Position**

1.2.4.13 We reviewed the documents subsequently submitted by Management, after our audit execution. Therefore, we have adjusted the transactions without adequate references and supporting documents to US\$31,658.45 (US\$6,037,209.79–US\$6,005,551.34) to be accounted for by Management. Therefore, we maintain our recommendation. We will follow-



up on the implementation of our recommendations during subsequent audit. **See below table 9c for details of transactions without adequate supporting documents.**

**Table 9c: Transactions without Adequate References and Supporting Documents**

FY2020/2021					
No.	Date	Bank	Details	CHK #	Amount US\$
1	23-Jul-20	ECOBANK-3662 USD	REF : 000ARCH000000001 INTERFACE TRANSACTION: ATM	N/A	15,955.00
2	19-Oct-20	UBA-L-498 USD	IQ OF NATIONAL CHQ IFO VOINJAMA QUARDU GBONDI DEVELOPMENT ASSOCIATION	N/A	5,353.45
<b>Total (a)</b>					<b>21,308.45</b>
FY2022					
3	25-May-22	UBA	BWY Risk for Media consultancy to Media Houses	N/A	10,350.00
<b>Total (b)</b>					<b>10,350.00</b>
<b>Grand Total ( a+ b)</b>					<b>31,658.45</b>

### 1.2.5 Variance between Financial Statements and Notes to the Financial Statements

#### Criteria

- 1.2.5.1 Section 36(1) of the PFM Act of 2009 as amended and restated 2019 states "It is a general responsibility under this Act for all government officials handling public financial transactions to ensure that financial Information is reported in a timely, comprehensive, and accurate manner, in the manner Prescribed in this Act, under its regulations, and in instructions issued by the Minister."

#### Observation

- 1.2.5.2 During the audit, we observed that capital expenditures recorded on the face of the financial statements amounted to US\$27,311,377.03, constituting actual capital expenditures of US\$26,161,377.03 and settlement of debt for road project to road contract amounting to US\$1,150,000.00. However, we observed that actual capital expenditures disclosed in the notes to the financial statements amounted to US\$26,215,934.26 resulting into a variance of US\$1,095,442.77. **See below Table 10 for details:**

**Table 10: Variance between Financial Statements and Notes to the Financial Statements**

Description	Financial Statements US\$ (A)	Notes to Financial Statements US\$ (B)	Variance US\$ C=(A-B)
Capital Expenditure (Road Maintenance), Page 9	26,161,377.03	26,215,934.26	(54,557.23)
Capital Expenditure (Settlement of Debt for Road to road contract), Page 9	1,150,000.00	-00	1,150,000.00
<b>Total</b>	<b>27,311,377.03</b>	<b>26,215,934.26</b>	<b>1,095,442.77</b>



**Risk**

- 1.2.5.3 Fair presentation and full disclosure may be impaired.
- 1.2.5.4 The completeness and accuracy of capital expenditures may not be assured; therefore, the financial statements may be misstated. A misstated financial statement may facilitate fraudulent financial reporting and mislead the users of the financial statements.
- 1.2.5.5 Management may not account for all its transactions.

**Recommendation**

- 1.2.5.6 Management should account for the variance between capital expenditures recorded on the face of the financial statements and capital expenditures recorded in the notes to the financial statements comprehensively catalogued in Table 10 above.
- 1.2.5.7 Management should adjust the financial statements by the variances observed between capital expenditures recorded on the face of the financial statements and capital expenditures recorded in the notes to the financial statements.
- 1.2.5.8 Going forward, 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.
- 1.2.5.9 Financial statements should be prepared and approved by personnel with the relevant qualifications, experience and seniority. Evidence of approved financial statements should be adequately documented and filed to facilitate future review.

**Management's Response**

- 1.2.5.10 *The management has accepted the auditors' recommendation and will restate the financial statement.*

**Auditor General's Position**

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

**1.2.6 General Ledgers Figures not Reconciled to Financial Statements Figures**

**Criteria**

- 1.2.6.1 Section 36(1) of the PFM Act of 2009 as amended and restated 2019 states that "it is a general responsibility under this Act for all government officials handling public financial transactions to ensure that financial information is reported in a timely, comprehensive, and accurate manner, in the manner prescribed in this Act, under its regulations, and in instruction issued by the Minister".



### Observation

- 1.2.6.2 During the audit, we observed variances between the general ledger and the financial statements amounting to US\$167,754.22. **See Table 11 and Annexure 6 below for details.**

**Table 11: General Ledgers Figures not Reconciled to Financial Statements Figures**

Description	Financial Statement Amt. US\$ (A)	General Ledger Amt. US\$ (B)	Variance US\$ C=(A-B)
FY2020/2021	921,181.00	1,170,310.92	-249,129.92
SBY2021	7,398,114.00	7,035,762.04	362,351.96
FY2022	5,437,484.39	5,382,952.21	54,532.18
<b>Grand total</b>	<b>13,756,779.39</b>	<b>13,589,025.17</b>	<b>167,754.22</b>

### Risk

- 1.2.6.3 Fair presentation and full disclosure may be impaired.
- 1.2.6.4 The completeness and accuracy of revenue and expenditures may not be assured; therefore, the financial statements may be misstated. A misstated financial statement may facilitate fraudulent financial reporting and mislead the users of the financial statements.
- 1.2.6.5 Management may not account for all its transactions.

### Recommendation

- 1.2.6.6 Management should account for the variances between the general ledger and the financial statements.
- 1.2.6.7 Management should adjust the financial statements by the variances observed between the general ledger and the financial statements.
- 1.2.6.8 Going forward, 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.
- 1.2.6.9 Financial statements should be prepared and approved by personnel with the relevant qualifications, experience and seniority. Evidence of approved financial statements should be adequately documented and filed to facilitate future review.

### Management's Response

- 1.2.6.10 *The auditors' recommendation has been acknowledged by management. We have, however, switched to Sage 300 ERP, an automated financial management system that may help address every financial reporting problem you saw throughout the audit period. Additionally, a restated financial statement will be created for the audit period.*



### **Auditor General's Position**

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

### **1.2.7 Duplicate Transactions in the General Ledger**

#### **Criteria**

- 1.2.7.1 Regulations A.3 of the Public Financial Management (PFM) Act of 2009 as amended and restated 2019 states "any public officer concerned with the conduct of financial matters of the Government of Liberia, or the receipt, custody and disbursement of public and trust moneys, or for the custody, care and use of government stores and inventories shall keep books of accounts and proper records of all transactions and shall produce the books of accounts and records of the transactions for inspection when called upon to do so by the Auditor General, the Comptroller General, the relevant internal auditor or any officers authorized by them, by the Minister."
- 1.2.7.2 Regulation O.24 (2) of the Public Financial Management Act of 2009 as amended and restated 2019 states that "A Head of Government Agency shall, in relation to sub-regulation (1) appoint an officer who shall examine and check daily, all entries in cash books and other books of account, the counterfoils or copies of receipts or original documents to verify the correctness of the transactions"

#### **Observation**

- 1.2.7.3 During the audit, we observed that some vouchers in the general ledger, totaling US\$563,060.58, were recorded more than once, resulting into duplicate recording of transactions. **See below Annexure 7 for details:**

#### **Risk**

- 1.2.7.4 Duplicated recording of expenditures may result into overstatement and of expenditures and subsequently the financial statements. The completeness and accuracy of expenditures may not be assured. Therefore, the financial statements may be misstated. A misstated financial statement may facilitate fraudulent financial reporting and mislead the users of the financial statements.
- 1.2.7.5 Fair presentation and full disclosures of the financial statements may be impaired.

#### **Recommendation**

- 1.2.7.6 Management should adjust the financial statements by reversing the duplicated expenditures comprehensively catalogued in Annexure 7 below. The adjusted financial statements should be submitted to the Office of the Auditor General as part of Management's Response to this Management Letter.
- 1.2.7.7 An automated control should be established such that transactions (along with supporting documents) posted by a junior staff must be reviewed and approved by senior personnel before the transactions appear in the general ledger. Going forward, an automated linkage

should be created among the general ledger, trial balance, and the financial statements to facilitate completeness and accuracy of the financial statements.

- 1.2.7.8 The system should be configured to alert users through a prompt for duplicated reference numbers (voucher numbers, check numbers, etc.) at the data input stage to mitigate duplicated recording of transactions. Management should conduct routine data integrity check and perform periodic system updates. Discrepancies identified should be investigated and resolved in a timely manner.

#### **Management Response**

- 1.2.7.9 *We acknowledge the audit's findings and recommendations. A system processing error occurred during a bulk upload, resulting in these duplicate entries. Immediate corrective action was taken to prevent the duplicated transactions from recurring. We moved to an automated financial management system (Sage 300 ERP) and implemented the following measures: We have improved our month-end closing procedure by doing an additional assessment of voucher entries for any duplicates; Our IT team added extra validations to the financial system to detect duplicate voucher numbers during batch uploads, and Finance personnel have been retrained in the right procedures for voucher input and reconciliation. We remain committed to maintaining accurate financial records and will continue to monitor and improve our internal control processes to prevent such occurrences in the future.*

- 1.2.7.10 *We have switched to an automated financial management system (Sage 300 ERP), but management still accepts the auditors' analysis. The system can prevent duplicate postings.*

#### **Auditor General's Position**

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

### **1.2.8 No Evidence of Periodic Budget Performance Reports**

#### **Criteria**

- 1.2.8.1 Regulations A.1 of the PFM Act of 2009 as amended and restated 2019 states that "the public shall be provided with full access to all appropriate information concerning the financial affairs of the Government. This will include, but not limited to, information about the development of annual and supplementary budget estimates, the quarterly fiscal outturn reports issued by the Ministry, the monthly revenue and quarterly budget performance reports of ministries and agencies state owned enterprises their annual accounts and reports and the Government's annual audited accounts".

#### **Observation**

- 1.2.8.2 During the audit, we observed that Management operated the entity with the amount of US\$62,745,515.76 for the fiscal years under audit without evidence of Quarterly Budget Performance Reports. **See below Table 12 for details.**



**Table 12: No Evidence of Periodic Budget Performance Reports**

No.	Description	Financial Statement Amt. US\$
1	FY2020/2021	25,910,089.00
2	SBY 2021	8,124,627.00
3	FY2022	28,710,799.76
	<b>Total</b>	<b>62,745,515.76</b>

**Risk**

- 1.2.8.3 In the absence of Quarterly Budget Performance Report, revenue and expenditure may not be reliably measured. This may lead to under receipt of budgeted revenue and / or over expenditure.

**Recommendation**

- 1.2.8.4 Management should facilitate timely preparation of Quarterly and Annual Budget Performance Reports in line with the PFM Act of 2009 as amended and restated 2019.
- 1.2.8.5 Evidence of Quarterly and Annual Budget Performance Reports should be adequately documented and filed to facilitate future review.

**Management's Response**

- 1.2.8.6 *The management has started preparing quarterly and annual budget performance reports in accordance with the PFM Act of 2009, as amended and restated in 2019, even though it acknowledges the auditors' recommendation for the period under audit.*

**Auditor General's Position**

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

**1.2.9 Spending in Excess of Approved Budget**

**Criteria**

- 1.2.9.1 Regulation B.24 (1, 2 and 3) of the PFM Act of 2009 as restated in 2019 states: "(1) A head of government agency shall prioritize the Government agency's activities and ensure that related expenditures are within the cash flow plans and budget ceilings or such other ceilings as determined by the Minister".
- 1.2.9.2 Regulation E.13 (1 and 2) of the PFM Act of 2009 as amended and restated in 2019 states: "(1) If additional funds are required because of increased activity costs that could not be foreseen when the annual estimates were presented, application for supplementary estimate shall be made to the Minister through the Line Minister, Sector Minister, or appropriate authority. (2) The accompanying memorandum shall explain how the extra costs became necessary".
- 1.2.9.3 Further, Section 5, Figure 3 Sector Allocation, Paragraph 3.3 of the National Budget Act FY2022, under Budget Reforms and Fiscal Transparency Initiatives, requires that "Road



Infrastructure Investment-Per the National Road Fund Act (RFA) (Section 6.1.1) funds are collected to be used for the following purposes:

- Routine and periodic maintenance;
- Emergency works to a maximum of 7% of annual expenditure on road maintenance;
- Cost directly associated with running the Office of the Road Fund to a maximum of 1.5% of road maintenance; and
- Rehabilitations and improvements work to a maximum of 40% of the NRF's annual revenues.
- Annual and M & E reports are available on the NRF website at <https://nrf.gov.ir/annual-reports/>."

### Observation

- 1.2.9.4 During the audit, we observed that the total budget approved by the National Legislature for FY 2022 for the NRF amounted to US\$23,000,000.00. However, based on our review of the financial statements and other relevant supporting records, we observed that Management expended a total of US\$28,710,799.76 resulting into a variance of US\$5,710,799.76. **See Table 14a below for details:**

**Table 14a: Spending in Excess of Approved Budget**

NRF-BUDGET PERFORMANCE (FY JAN-DEC 2022)		
No	Activities Descriptions	Amount US\$
1	Approved National Budget (a)	23,000,000.00
2	Total Actual Expenditure (b)	28,710,799.76
	<b>Variance c=(a-b)</b>	<b>(5,710,799.76)</b>

- 1.2.9.5 Further, we observed that the total budget approved by the National Legislature under support activities (Corporate Social Responsibility, Road Safety, and Community Outreach & Engagement Awareness) for FY2020/2021 to FY2022 for the NRF amounted to US\$525,000.00. However, based on our review of the general ledgers, bank statements and other relevant supporting records, we observed that Management expended a total of US\$850,641.82, resulting into a variance of US\$325,641.82. **See Table 14b and Annexure 9 below for details:**

**Table 14b Spending in Excess of Approved Budget**

FY2020/2021				
Description	Implementing Entity	Amount Budgeted US\$ (A)	Actual Expended US\$ (B)	Variance US\$ C=(A-B)
Corporate Social Responsibility.	N/A	-	14,700.00	(14,700.00)
Road Safety (Street lighting)	MOT/MPW	175,000.00	263,481.94	(88,481.94)
<b>Total (a)</b>		<b>175,000.00</b>	<b>278,181.94</b>	<b>(103,181.94)</b>
SBY2021				
Community Outreach and Engagements	MIA	150,000.00	196,754.89	(46,754.89)
<b>Total (b)</b>		<b>150,000.00</b>	<b>196,754.89</b>	<b>(46,754.89)</b>
FY2022				



<b>FY2020/2021</b>				
<b>Description</b>	<b>Implementing Entity</b>	<b>Amount Budgeted US\$ (A)</b>	<b>Actual Expended US\$ (B)</b>	<b>Variance US\$ C=(A-B)</b>
Corporate Social Responsibility.	N/A	100,000.00	123,512.00	(23,512.00)
Community Outreach and Engagements	MIA	100,000.00	252,192.98	(152,192.98)
<b>Total (c)</b>		<b>200,000.00</b>	<b>375,704.98</b>	<b>(175,704.98)</b>
<b>Grand Total (a + b + c)</b>		<b>525,000.00</b>	<b>850,641.82</b>	<b>(325,641.82)</b>

**Risk**

- 1.2.9.6 Management may be non-compliant with Section 24(1-2) of the PFM Act of 2009 as amended and restated 2019.
- 1.2.9.7 Spending in excess of approved budget may lead to misappropriation of public funds. This may impair the achievement of the entity's objectives.
- 1.2.9.8 Facilitating unauthorized excess expenditure to GoL entities may lead to under disbursement of approved budgetary allotments to other GoL entities.
- 1.2.9.9 Unauthorized excess disbursement over approved budgetary allotment may lead to misappropriation and misapplication of public funds.

**Recommendation**

- 1.2.9.10 Management should account for the expenditure in excess of the approved budget limits without evidence of supplementary and /or recast budget for the period.
- 1.2.9.11 Going forward, Management should ensure that expenditures are within the approved budget limits at all times and where applicable, supplementary and /or approval for recast budget is acquired. Copies of the necessary documentation should be maintained for administrative and audit purposes.
- 1.2.9.12 Management should perform periodic (at least quarterly) reconciliation between budgeted and actual revenue and expenditure. Gaps identified should be used to govern future revenue collection and disbursement activities.
- 1.2.9.13 Periodic budget performance reports should be adequately documented and filed to facilitate future review.
- 1.2.9.14 Going forward, Management should ensure that all excess expenditure exceeding authorized limits are approved by the National Legislature.
- 1.2.9.15 Management should ensure that a Statement of Excess Expenditure is prepared and submitted to the National Legislature in a timely manner consistent with Section 24(1-2) of the PFM Act of 2009 as amended and restated 2019.



- 1.2.9.16 Evidence of a Statement of Excess Expenditure should be adequately documented and filed to facilitate future review.

#### **Management's Response**

1.2.9.17 *Management acknowledges the audit finding and appreciates the opportunity to clarify the circumstances surrounding the matter. The overspending resulted from an operational urgency to disburse payments to contracting and consulting entities. These payments were essential to meeting critical obligations and avoiding project delays, which stemmed from a combination of external challenges, including the Government of Liberia's contract suspension, contract extensions, late interest payments, foreign exchange fluctuations, Contract Price Adjustment (CPA) claims, and delayed disbursements.*

1.2.9.18 *Due to the pressing nature of these circumstances, funds were accessed and disbursed to prevent further disruption. However, in the process, the documentation and completion of the required approvals were not consistently maintained in accordance with prescribed procedures. Management recognizes the importance of robust financial governance and took immediate corrective action within the same fiscal year to address and rectify the issue. These actions included: (a) Conducting an internal review to identify and address gaps in the approval process; (b) Re-training relevant staff on budgeting and budget performance, financial procedures and documentation requirements; (c) Strengthening internal controls to ensure timely and complete documentation of financial approvals, and (d) Introducing additional oversight mechanisms to prevent recurrence of such issues. Management remains committed to continuous improvement and ensuring that financial practices align with institutional standards and accountability frameworks.*

#### **Auditor General's Position**

1.2.9.19 Management's assertions did not adequately address the issues raised. Management did not obtain approved recast budget by the National Legislature before facilitating excess expenditures over approved budget. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

### **1.2.10 Underspending of Approved Budget of Counterpart Funding**

#### **Criteria**

1.2.10.1 Section 5, Figure 2(1.2), Paragraph 1, Sentence (1 & 3, 5-7) FY2022 National Budget Act, requires that "Public Sector Investment Plan (PSIP) is estimated at US\$139.0million, representing 17.7 percent of the expenditure portfolio. The main focus of allocations for PSIP is on projects identified to be undertaken during the presidential county tour. Counterpart funding is allocated US\$12.9million to service commitments in the energy, social development and infrastructure sectors. The amount of US\$126.9 million constitutes GoL commitment to other projects. Of this amount, the National Road Fund has been allocated US\$23.0 million. The government has conducted a review of ongoing projects and those with a least 75% completion have been prioritized."



1.2.10.2 Further, Regulation B.24 (1, 2 and 3) of the PFM Act of 2009 as amended and restated 2019 states: "(1) A head of government agency shall prioritize the Government agency's activities and ensure that related expenditures are within the cash flow plans and budget ceilings or such other ceilings as determined by the Minister".

1.2.10.3 Preface 1.3, Page IX of the Budget FY2022 under the "Budget Policies" (g) provides that "the major thrust of the Government's policies is aimed at ensuring macroeconomic stability, expanding the domestic tax base, and increasing capital investments. To ensure effective service delivery through budgetary control, the government adapted existing policies and introduced a number of new policies that guided expenditure allocations. Policies that informed expenditure allocations are as follows: (g) Ensuring that all road-related counterpart funding is financed through the National Road Fund."

### Observation

1.2.10.4 During the audit, we observed that Management did not comply with the approved counterpart funding agreement by under-remitting the approved budgetary allocation of GoL contribution.

1.2.10.5 However, we observed that the donor was fully compliant with their commitment through full disbursement of their counterpart funding through the Project Financial Management Unit (PFMU) for the remittance to the Liberia Swedish Feeder Road Project. **See below Table 15a for details.**

**Table 15a: Budget Underspending (Counterpart Funding-Initial Payment)**

NRF-BUDGET PERFORMANCE (JUL 2020-JUN. 2021)					
No	Activities Descriptions	Approved National Budget Amount US\$	Actual Expenditure Amount US\$	Variance in US\$	% of Underspending
1	Counterpart funding (Initial Payment)	4,000,000.00	122,370.00	3,877,630.00	97%
2	MPW Administrative, and M & E, 3.5%	1,000,000.00	430,000.00	570,000.00	57%
	<b>Total</b>	<b>5,000,000.00</b>	<b>552,370.00</b>	<b>4,447,630.00</b>	<b>89%</b>
NRF-BUDGET PERFORMANCE (JAN-DEC 2022)					
No	Activities Descriptions	Approved National Budget for NRF Amount US\$	Actual Expenditure Amount US\$	Variance in US\$	% of Underspending
1	FY 2022 Counterpart funding of US\$12.9m to be used in 3 Sectors (energy, social development and infrastructure sectors)	4,300,000.00	-0-	4,300,000.00	100%
	<b>Total</b>	<b>4,300,000.00</b>	<b>-0-</b>	<b>4,300,000.00</b>	
	<b>GRAND TOTAL</b>	<b>9,300,000.00</b>	<b>552,370.00</b>	<b>8,747,630.00</b>	<b>89%</b>

1.2.10.6 Further, we observed that the US\$498,846.48 recorded in the general ledger as counterpart



funding was expended on GoL exclusive funded projects. **See below Table 18b for details.**

**Table 15b: Budget Underspending (Counterpart Funding-Initial Payment)**

No.	Date	Payee	BANK	Description	Amount US\$
1	11-Mar-22	MON DEVELOPMENT AND MANAGEMENT CORP	ECOBANK LRD	CHK422, PORTION OF SECOND PAYMENT UNDER CONTRACT #MPW-W/0028/1819. FOR THE REHABILITATION OF THE JOHNSONVILLE MT. COFFEE WATER TREATMENT PLANT	297,037.54
2	21-Mar-22	SOLID ROCK CEMENT STEEL CONSTRUCTION	ECOBANK LRD	ELR CHK-373, 3RD PAYMENT UNDER CONTRACT NUMBER MPW-0015-1819 FOR THE REHABILITATION OF 5KM ROAD IN REHAB COMM.	201,808.94
<b>Total</b>					<b>498,846.48</b>

**Risk**

- 1.2.10.7 Failure of GoL to comply with full remittance of approved counterpart funding agreement may lead to non-achievement of approved project deliverables and objectives. This may result into subsequent discontinuation of donor support for approved projects.
- 1.2.10.8 Recording GoL expenditures as counterpart funding in the general ledger may impair fair presentation and full disclosures. This may facilitate fraudulent financial reporting.

**Recommendation**

- 1.2.10.9 Management should provide substantive justification for non-remittance of approved counterpart funding.
- 1.2.10.10 Management should adjust the financial statements to reclassify transactions inaccurately recorded as counterpart funding. The adjusted financial statements should be submitted to the Office of the Auditor General as part of Management's response to this Management Letter.
- 1.2.10.11 Going forward, Management should adequately budget for and facilitate full disbursement of counterpart funding consistent with approved agreement. Evidence of full and timely remittances of approved counterpart funding should be adequately documented and filed to facilitate future review.
- 1.2.10.12 Management should perform periodic monitoring and evaluation of the approved budget to determine whether GoL is fully compliant with approved funding arrangements. Gaps identified in remittances should be investigated and resolved in a timely manner. Evidence of periodic monitoring and evaluation and budget performance reports should be adequately documented and filed to facilitate future review.



### Management's Response

1.2.10.13 *The auditors' recommendation has been acknowledged by management. The implementing agency initiates all payments upon request, and within the reviewed period, the request was fully funded.*

### Auditor General's Position

1.2.10.14 Management's assertions did not adequately address the issues raised. Management did not provide substantive justification for non-remittance of approved counterpart funding. Management did not also adjust the financial statements to reclassify transactions inaccurately recorded as counterpart funding as requested. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit

## 1.2.11 Procurement / Contract Splitting

### Criteria

1.2.11.1 Section 46(1, 2 & 3) of the Public Procurement and Concession Act of 2005 as amended and restated 2010 under Choice of Procurement Method states that "(1) Public procurement shall be undertaken by means of advertised open bid proceedings, to which equal access shall be provided to all eligible and qualified bidders without discrimination, subject only to the exceptions provided under this Part for particular methods of procurement. (2) It is not permitted artificially to divide procurement with the intention of avoiding the applicability of the Thresholds to procurement. (3) Procuring Entities may use only those methods of procurement authorized by this Act. If a Procuring Entity uses a method of procurement other than advertised open competitive bidding, it shall note in the record of the procurement proceedings the grounds for the choice of the procurement method."

### Observation

1.2.11.2 During the audit, we observed that the Ministry of Public Works awarded SSF Entrepreneur Inc two (2) service contracts amounting to US\$390,864.60 for similar services and period but for different values seemingly representing procurement splitting of the contracts. **See below Table 16 for details:**

**Table 16: Procurement/Contract Splitting**

No	Project Name	Contract Number	Start Date	End Date	Contract Value US\$
1	Emergency maintenance of 42km Gravel - Primary Road (Barziwien – Voinjama Road) in Lofa County	MPW-W-0006-19/20	25-Sep-19	30-Jun-21	143,067.00
2	Emergency maintenance of 42km Gravel - Primary Road (Barziwien – Voinjama Road) in Lofa County	MPW-W-0005-19/20	24-Sep-19	30-Jun-21	247,797.60
<b>Total</b>					<b>390,864.60</b>

### Risk



- 1.2.11.3 Management may be non-compliant with Section 46(1, 2 & 3) of the Public Procurement and Concession Act of 2005 as amended and restated 2010.
- 1.2.11.4 Awarding contracts for the same services at different values may impair value for money and facilitate misappropriation of public funds.
- 1.2.11.5 Duplication of service contracts for the same service may facilitate fraudulent procurement activities.

#### **Recommendation**

- 1.2.11.6 Management should provide substantive justification for awarding two (2) separate service contracts for the same service and for different values.
- 1.2.11.7 Going forward, Management should facilitate full compliance with the Public Procurement and Concession Act of 2005 as amended and restated 2010 for all its procurement activities. A single contract should be awarded for similar services within approved threshold, after completion of competitive procurement processes. Evidence of competitive procurement processes and all relevant procurement records including bid invitation, bid evaluation reports, approved contracts and invoices should be adequately documented and filed to facilitate future review.

#### **Management's Response**

- 1.2.11.8 *Management acknowledges the auditors' recommendation and has put in place measures to prevent such going forward. The two contracts highlighted however, are for two different kinds of activities along the same corridor. One is for "Emergency Spot Repairs Using Boulders and Crush Aggerates", while the other is for "Emergency Maintenance" after the repair work is completed. Attached are copies of both contracts. (See exhibit 1.2.13).*

#### **Auditor General's Position**

- 1.2.11.9 Management's assertions did not adequately address the issues raised. As stated in our findings above, the Ministry of Public Works awarded SSF Entrepreneur Inc two (2) service contracts amounting to US\$390,864.60 for similar services and period but for different values seemingly representing procurement splitting of the contracts non-compliant with Section 46(1, 2 & 3) of the Public Procurement and Concession Act of 2005 as amended and restated 2010. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

### **1.2.12 Contract Awarded above Approved Budgeted Threshold**

#### **Criteria**

- 1.2.12.1 Regulation B.24 (1, 2 and 3) of the PFM Act of 2009 as restated in 2019 states: "(1) A head of government agency shall prioritize the Government agency's activities and ensure that related expenditures are within the cash flow plans and budget ceilings or such other ceilings as determined by the Minister".
- 1.2.12.2 Further, Regulation C. 8 (2) of the PFM Act of 2009 as amended and restated 2019 stipulates that "the head of agency or spending unit shall have overall responsibility and accountability



for the collection and receipt of all subsidies or the financial administration of the monies voted by Legislature for, or applied by statute to, the services under the control of his or her ministry or agency”.

**Observation**

- 1.2.12.3 During the audit, we observed that a contract for road maintenance valued at US\$517,942.68 in the approved budget and bid invitation, was subsequently awarded to Arrow Group LLC for US\$968,957.00 resulting in an increase of the approved contract value by US\$456,014.32. **See below Table 18 for details:**

**Table 18: Contract Awarded above Approved Budgeted Threshold**

Description	Contractor	Approved Budgeted Contract Value US\$ (A)	Actual Awarded Contract Value US\$ (B)	Variance US\$ C=(A-B)
Periodic Maintenance covering 61.34 kilometers from Jallahlone to Ngafor to Madina, Mamamadee to Gbarquoita, and Dakota to Kpayea Kolleh (selective re-gravelling, re-shaping, drainage maintenance, and minor concrete structure repairs, installation of up to 5 new culverts in Gbarpolu County	Arrow Group LLC	512,942.68	968,957.00	(456,014.32)

- 1.2.12.4 Further, the approved contract, BOQ, and other relevant supporting records were not made available for audit purposes. The awarded value of the contract was obtained from the contract payment schedule prepared by Management.

**Risk**

- 1.2.12.5 Spending in excess of approved budget may lead to misappropriation of public funds. This may impair the achievement of the entity’s objectives.;
- 1.2.12.6 Payments may be made for goods not delivered or services not performed. Goods delivered or services performed may not meet the approved specifications.
- 1.2.12.7 In the absence of adequate supporting documents, the validity, occurrence, and accuracy of payments may not be assured. This may lead to misappropriation of the entity’s funds.
- 1.2.12.8 The absence of adequate supporting documentation for transactions may also lead to fraudulent financial management practices, through the processing and disbursement of illegitimate transactions.
- 1.2.12.9 Management may override the procurement processes by completing disbursement without utilizing the required procurement methods.



### **Recommendation**

- 1.2.12.10 Management should provide substantive justification for spending in excess of approved budget for road maintenance contract comprehensively catalogued in Table 20 above.
- 1.2.12.11 Management should submit copies of approved contract, BOQ, and other relevant supporting records not made available for audit purposes to the Office of the Auditor General as part of Management's response to this Management Letter.
- 1.2.12.12 Going forward, Management should ensure that all contracts awarded are within the threshold of the approved budget and annual procurement plan. All adjustments to approved contract values should be subsequently approved by the IMSC, adjusted in the approved procurement plan and subsequently approved by the PPCC. Evidence of approved adjustments to the budget and annual procurement plan should be adequately documented and filed to facilitate future review.
- 1.2.12.13 Management should ensure all transactions are supported by the requisite supporting documents consistent with the financial management regulations. Documentation such as contracts, invoices, goods received notes, job completion certificates, purchase orders, payment vouchers etc. should be prepared and approved for the procurement of goods and services where applicable. All relevant supporting records should be adequately documented and filed to facilitate future review.
- 1.2.12.14 Additionally, Management should facilitate the operationalization of the electronic document management system by ensuring that all relevant source and supporting documents are scanned, attached to the transaction (in the accounting software for financial transactions), archived and maintained to facilitate future review.

### **Management's Response**

- 1.2.12.15 *Management acknowledges the auditors' recommendation. However, the value of the contract of concern has always been US\$968,957. Said figure was the bid value of the most responsive bidder (who later became the selected contractor) and thus constituting the contract value. The procurement process that brought about this contract was approved by the PPCC. Attached are copies of the contract and other supporting documents. (See exhibit 1.2.15)*

### **Auditor General's Position**

- 1.2.12.16 Management's assertions are not supported by adequate documentation. Copies of a comprehensive contract, No Objection/approval by the PPCC, and bid evaluation report were not made available for audit purposes. Also, as stated in our findings, the contract value per the approved budget amounted to 512,942.68. Amendments to the approved contract value enshrined in the national budget should be authorized by the National Legislature and subsequently the PPCC. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

### **1.2.13 External Audit Service Provided without Evidence of Management Letter and Audited Financial Statements**

#### **Criteria**

- 1.2.13.1 Regulation B.25 (1-2) of the PFM Act of 2009 as Amended and Restated 2019 requires a head of government agency to ensure that moneys are utilized in a manner that secures both optimum value for money and the intention of the Legislature. The head of a government agency shall ensure that moneys approved for the Government agency or budgeted amounts are used lawfully.
- 1.2.13.2 According to Paragraph 1, Page 2 of the meeting minutes for negotiation of External Audit Service, March 6, 2020, provides that "Scope of Work and methodology approach; the consultants and the clients agreed that the Audit will be done in (4 weeks) and it will be a risk-based audit commencing March 17, 2020. The type of audit that will be done is a Financial Audit and the International Standard of Audit (ISA) will be used when conducting the National Road Fund audit.
- 1.2.13.3 Further, Section 3.1 of the Engagement Letter for the audit of NRF financial audit, requires that "We shall, as independent auditors issue our professional opinion on the financial statements of National Road Fund for the period(s) to be covered by the engagement, stating whether in our opinion: a). the financial statements present fairly, in all material respects, the financial position of NRF, and the results of its operations for the period(s) covered by the audit; b). the financial statements have been prepared in accordance with the relevant financial reporting framework or accounting standards or donor requirements and agreed upon template."
- 1.2.13.4 Section 3(7 & 8) of the Engagement Letter for the audit of NRF financial audit, requires that "The final report shall be prepared as indicated in 3.1 taking duly into account all changes that we shall consider appropriate per the preceding. Each final report (audited financial statements with our audit opinion thereon and management letter, if considered appropriate) shall be in bound form with two (2) copies sent to NRF for appropriate distribution."

#### **Observation**

- 1.2.13.5 During the audit, we observed that Management of the National Road Fund (NRF) entered into a contract with MGI Monbo & Company to undertake a financial statement audit of the entity. We observed that Management paid MGI Monbo & Company in full for the audit services, totaling US\$40,060.00 during the Special Budget Year (SBY) 2021. However, we observed no evidence of the following deliverables: Audited Financial Statements and Management Letter.

#### **Risk**

- 1.2.13.6 Management may make payments for services not performed. This may lead to misappropriation of the entity's funds.



- 1.2.13.7 Facilitating payments non-compliant with approved payment terms and conditions may lead to non-achievement of project deliverables and value for money.

**Recommendation**

- 1.2.13.8 Management should submit copies of the Audited Financial Statements and Management Letter(s) not provided for audit purposes to the Office of the Auditor General, as part of Management's response to this Management Letter.
- 1.2.13.9 Going forward, Management should ensure that all payments are made consistent with the terms and conditions, including approved deliverables of the contract. Subsequent payment for the next phase of the contract should not be initiated if previous deliverables are not met. Evidence of completion of service for each phase of a contract along with all other relevant supporting records of disbursement should be adequately documented and filed to facilitate future review.

**Management's Response**

- 1.2.13.10 *The recommendation made by the auditors is accepted by management. Copies of the Management Letter(s) and Audited Financial Statements will be submitted by management to the Office of the Auditor General.*

**Auditor General's Position**

- 1.2.13.11 Management's assertions were not supported by documentary evidence. Copies of the audited financial statements and Management Letters were not made available for audit purposes as asserted in Management's response. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

**1.2.14 No Evidence of Approved Overdraft Agreements**

**Criteria**

- 1.2.14.1 Regulation M.5 of the PFM Act of 2009 as amended and restated 2019 requires that "state owned enterprises shall comply with the following (1)Before the commencement of the financial year, the Minister and the Debt Management Committee shall be notified of the annual borrowing plans immediately following the board's approval of the annual financial plans of a state-owned enterprise, (2)Repayment agreement for accumulated arrears to suppliers for a period exceeding ninety days constitute debt of the enterprise and shall require written approval of the Board, Minister and the Debt Management Committee."
- 1.2.14.2 Further, Regulation R.3 of the PFM Act of 2009 as amended and restated 2019 requires that "Bank Accounts for Ministries and Government Agencies (1) When ordering the opening of a bank account for a Ministry or a Government Agency, the Comptroller-General under instruction from the Minister, shall communicate to the bank and the head of government agency, the conditions under which the account will be operated, which shall include: (a) Prohibition of overdraft on the bank account; (b) A requirement that all Checks shall be signed by at least two officers, (c) No officer shall sign any check which has not been fully completed in all respects . (d) Names and specimen signatures of officers authorized to sign

Checks on the bank account; and (e) A requirement for the Bank to provide the Head of Government Agency with monthly bank statements on the account.”

### Observation

- 1.2.14.3 During the audit, we observed that interest on overdraft was charged to the NRF’s UBA and LBDI bank accounts and subsequently recorded in the general ledger for usage of overdraft facilities at the respective banks. However, the overdraft agreements were not made available for audit purposes. As a result, we could not ascertain whether the facilities were approved by the IMSC and the Comptroller and Accountant General of Liberia, nor could we determine the reasonableness of the processing and facility fees of the overdraft facilities. **See below Table 19 for details.**

**Table 19: No Evidence of Approved Overdraft Agreements**

OVERDRAFT CHARGES				
No.	Date	BANK	Description	Amount in US\$
1	31-Jan-22	UBA MATCHING FUNDS USD	Interest collected by bank for January 2022	2,613.89
2	22-Feb-22	UBA MATCHING FUNDS USD	Interest collected by bank for January 2022	6,262.87
3	29-Apr-22	UBA MATCHING FUNDS USD	Interest collected by bank	2,409.33
4	30-Apr-22	LBDI SCAMP	BANKERS CHEQUE NEW MELLENIUM	2,371.19
5	31-May-22	UBA MATCHING FUNDS USD	INTEREST CHARGED TO A/C	6,974.22
6	17-Jun-22	UBA LOAN	FEES ON CREDIT AGAINST POST DATED INSTRUMENT	19,500.00
7	17-Jun-22	UBA LOAN	FEES ON CREDIT AGAINST POST DATED INSTRUMENT	19,500.00
8	29-Jul-22	UBA LOAN	BG Fee on credit against Post-Dated Instruction	34,000.00
9	29-Jul-22	UBA LOAN	BG Fee on credit against Post-Dated Instruction	36,000.00
10	29-Aug-22	UBA MATCHING FUNDS USD	Interest Collected/Charge	2,314.74
11	31-Aug-22	UBA MATCHING FUNDS USD	Interest Collected/Charge	3,161.00
12	20-Oct-22	UBA LOAN	BANK CHARGE ON CREDIT AGAINST POST DATED CHECK	52,500.00
<b>Total</b>				<b>187,607.24</b>

### Risk

- 1.2.14.4 Management may be non-compliant with Regulations M.5 and R.3 of the PFM Act of 2009 as amended and restated 2019.
- 1.2.14.5 Obtaining and usage of overdraft facilities without the IMSC and the Comptroller and Accountant General’s approval may lead to misappropriation of the entity’s funds. Continuous acquisition of overdraft facilities without a specified justification, review and approval may lead to significant interest payments and uncontrolled expenditures.



### **Recommendation**

- 1.2.14.6 Management should provide copies of the approved overdraft agreements not made available for audit purposes to the Office of the Auditor General, as part of Management's response to this Management Letter.
- 1.2.14.7 Going forward, Management should ensure that all acquisitions of overdraft facilities are approved by the IMSC and the Comptroller and Accountant General. As part of the review process, the reasonableness of the processing and facility fees should be evaluated as well as the rationale for the overdraft facilities before approvals are granted. Evidence of approved overdraft facility agreements should be adequately documented and filed to facilitate future review.

### **Management' Response**

- 1.2.14.8 *Management recognizes the audit finding and appreciates the chance to clarify the situation. The scenario occurred as a result of an operational need to make payments to contracting and consulting entities, where rapid access to cash was required to meet important responsibilities and avoid delays in project progress. Documentation of the relevant approvals was not kept up to date or completed as required. Recognizing the significance of solid financial governance, Management took quick corrective action during the same fiscal year to address and resolve the issue.*
- 1.2.14.9 *These actions included the following: The use of the overdraft facility was halted after the documentation failure was discovered; internal approval procedures were reviewed and strengthened to ensure that all future financial arrangements, including overdrafts, have prior written approval from the competent authorities, which include the Board and the Comptroller and Accountant General; measures were implemented to guarantee that all financial decisions and approvals are documented in a timely and secure manner; Staff involved in financial operations got refresher training to improve compliance with internal control and governance standards.*

### **Auditor General's Position**

- 1.2.14.10 Management's assertions did not adequately address the issues raised. Management did not provide copies of the approved overdraft agreements to the Office of the Auditor General as requested. As a result, we were unable to ascertain the purpose of the overdraft, the reasonableness of the processing fees and interest rate of the overdraft facility, as well as approval of the facility by the IMSC and the Comptroller and Accountant General as required. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

## **1.2.15 Unauthorized Additional Salaries and Benefits Payments**

### **Criteria**

- 1.2.15.1 Regulation T.3 of the PFM Act of 2009 as amended and restated 2019 states: "(1) The head of every Management Unit shall keep records of all Personnel Emolument of staff employed in his management unit, to ensure that: (a) payments are made as and when due; (b)

overpayments are not made; (c) all required deductions are made at the correct time; (d) authorized establishments or manpower ceilings are not exceeded; (e) the amount of salary and other allowances authorized for payment to each staff is not exceeded; and (f) payments are not made on the payment voucher to staff who do not belong to the Agency or unit.”

### Observation

- 1.2.15.2 During the audit, we observed that Management facilitated double payments of monthly salaries in December 2022 amounting to US\$43,335.00, as a form of appreciation to staff. However, we observed no evidence that the double monthly payments in December 2022 were budgeted for, documented in a policy or approved by the IMSC. **See Table 20 below for details:**

**Table 20: Unauthorized Additional Salaries and Benefits Payments**

No.	TRANS DATE	VALUE DATE	NARRATION	Amount US\$
1	14-Dec-22	14-Dec-22	IB/SDMC/404599/Dec 2022 appreciation	7,200.00
2	14-Dec-22	14-Dec-22	IB/SDMC/404599/Dec 2022 appreciation	3,060.00
3	14-Dec-22	14-Dec-22	IB/SDMC/404599/Dec 2022 appreciation	3,060.00
4	14-Dec-22	14-Dec-22	IB/SDMC/404599/Dec 2022 appreciation	3,060.00
5	14-Dec-22	14-Dec-22	IB/SDMC/404599/Dec 2022 appreciation	3,060.00
6	14-Dec-22	14-Dec-22	IB/SDMC/404599/Dec 2022 appreciation	2,700.00
7	14-Dec-22	14-Dec-22	IB/SDMC/404599/Dec 2022 appreciation	2,250.00
8	14-Dec-22	14-Dec-22	IB/SDMC/404599/Dec 2022 appreciation	2,700.00
9	14-Dec-22	14-Dec-22	IB/SDMC/404599/Dec 2022 appreciation	1,890.00
10	14-Dec-22	14-Dec-22	IB/SDMC/404599/Dec 2022 appreciation	1,260.00
11	14-Dec-22	14-Dec-22	IB/SDMC/404599/Dec 2022 appreciation	1,350.00
12	14-Dec-22	14-Dec-22	IB/SDMC/404599/Dec 2022 appreciation	1,170.00
13	14-Dec-22	14-Dec-22	IB/SDMC/404599/Dec 2022 appreciation	1,125.00
14	14-Dec-22	14-Dec-22	IB/SDMC/404599/Dec 2022 appreciation	900.00
15	14-Dec-22	14-Dec-22	IB/SDMC/404599/Dec 2022 appreciation	900.00
16	14-Dec-22	14-Dec-22	IB/SDMC/404599/Dec 2022 appreciation	900.00
17	14-Dec-22	14-Dec-22	IB/SDMC/404599/Dec 2022 appreciation	810.00
18	14-Dec-22	14-Dec-22	IB/SDMC/404599/Dec 2022 appreciation	630.00
19	14-Dec-22	14-Dec-22	IB/SDMC/404599/Dec 2022 appreciation	630.00
20	14-Dec-22	14-Dec-22	IB/SDMC/404599/Dec 2022 appreciation	630.00
21	14-Dec-22	14-Dec-22	IB/SDMC/404599/Dec 2022 appreciation	450.00
22	14-Dec-22	14-Dec-22	IB/SDMC/404599/Dec 2022 appreciation	450.00
23	14-Dec-22	14-Dec-22	IB/SDMC/404599/Dec 2022 appreciation	450.00
24	14-Dec-22	14-Dec-22	IB/SDMC/404599/Dec 2022 appreciation	450.00
25	14-Dec-22	14-Dec-22	IB/SDMC/404599/Dec 2022 appreciation	450.00
26	14-Dec-22	14-Dec-22	IB/SDMC/404599/Dec 2022 appreciation	450.00
27	14-Dec-22	14-Dec-22	IB/SDMC/404599/Dec 2022 appreciation	450.00
28	14-Dec-22	14-Dec-22	IB/SDMC/404599/Dec 2022 appreciation	315.00
29	14-Dec-22	14-Dec-22	IB/SDMC/404599/Dec 2022 appreciation	315.00
30	14-Dec-22	14-Dec-22	IB/SDMC/404599/Dec 2022 appreciation	270.00
<b>Total</b>				<b>43,335.00</b>



- 1.2.15.3 Additionally, we observed that the Fund Manager approved monthly benefits amounted to US\$750.00. However, for the months of October, November, and December 2022, the monthly benefits of the Fund Manager were increased to US\$1,500.00. This resulted in unapproved increased benefits amounting to US\$2,250.00. We obtained no evidence that the increment in the Fund Manager's benefits was approved by the IMSC as required.

**Risk**

- 1.2.15.4 Facilitating double salary payments and unapproved increment to benefits without a policy, approved budgetary allocation or approval by the IMSC may lead to misapplication of the entity's funds. Funds for approved activities may not be available due to processing of significant unbudgeted activities.

**Recommendation**

- 1.2.15.5 Management should provide substantive justification for facilitating double salary payments in a single month and increment in the Fund Manager's monthly benefits without a policy, approved budgetary allocation or approval by the IMSC.
- 1.2.15.6 Going forward, Management should ensure that all significant incentives to staff are included in the human resource policy, and subsequently approved by the IMSC. All incentives to staff and proposed increment to salaries and benefits should be adequately budgeted for on an annual basis and approved by the relevant authorities.

**Management's Response**

- 1.2.15.7 *Management acknowledges the audit finding and appreciates the opportunity to provide clarification. The arrangement in question was based on a verbal endorsement by the Inter-Ministerial Steering Committee (IMSC). The related payments were made in good faith and intended to recognize staff efforts during a period of increased workload and essential operational demands. However, Management recognizes that the appropriate approval channels and documentation procedures, as required by the applicable financial and human resource policies, were not fully followed. This oversight is regrettable and not reflective of Management's commitment to sound governance and compliance.*
- 1.2.15.8 *Upon becoming aware of the issue, Management took prompt action to analyze the underlying causes and address the lapse. Corrective measures have since been implemented to ensure that all future salary-related decisions and disbursements are fully aligned with established regulations.*
- 1.2.15.9 *Moving forward, management will ensure that any large employee incentives are covered by HR policy and then approved by the IMSC.*

**Auditor General's Position**

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



### 1.2.16 Unauthorized Payment made by UBA Bank Liberia Ltd.

#### Criteria

- 1.2.16.1 Regulation B.24 (1, 2 and 3) of the PFM Act of 2009 as amended and restated 2019: "(1) A head of government agency shall prioritize the Government agency's activities and ensure that related expenditures are within the cash flow plans and budget ceilings or such other ceilings as determined by the Minister".
- 1.2.16.2 Regulation E.13 (1 and 2) of the PFM Act of 2009 as amended and restated 2019 states: "(1) If additional funds are required because of increased activity costs that could not be foreseen when the annual estimates were presented, application for supplementary estimate shall be made to the Minister through the Line Minister, Sector Minister, or appropriate authority. (2) The accompanying memorandum shall explain how the extra costs became necessary".

#### Observation

- 1.2.16.3 During the audit, we observed an unauthorized debit of US\$1,150,000 paid by UBA Bank Liberia Ltd on November 24, 2022 in favor of East International for the Robert's International Airport Highway Road construction without evidence of approval by the NRF Management. We observed that approval for the payment was initiated by the MFD.
- 1.2.16.4 Further, we observed no evidence that the amount paid was budgeted for and approved by the Inter-Ministerial Steering Committee in the NRF Annual Road Maintenance Expenditures Program (ARMEP) or a supplementary budget.
- 1.2.16.5 Additionally, we observed no evidence of supporting documents (payment voucher, payment request from MPW, Interim Payment Certificate (IPC), Certificate of completion, etc. **See Table 21 below for details:**

**Table 21: Unauthorized Payment made by UBA Bank Liberia Ltd.**

Transaction Date	Value Date	Cheque No	Description	Amount in US\$
25-Nov-22	25-Nov-22	N/A	SETTLEMENT OF DEBT FOR RIA ROAD PROJECT	1,150,000.00

#### Risk

- 1.2.16.6 Unapproved budgetary expenditures may lead to misappropriation of fund. This may impair achievement of the entity's objectives.

#### Recommendation

- 1.2.16.7 Management should initiate an investigation with the UBA Bank Liberia Ltd to determine how funds were transferred from the entity's bank accounts without the required number of approved signatories. The result of the investigation should be submitted to the Office of the Auditor General, as part of Management's response to this Management Letter.
- 1.2.16.8 Going forward, Management should perform monthly bank reconciliation to ascertain the legitimacy of all transactions in the entity's bank accounts. Discrepancies identified should be investigated and resolved in a timely manner. Evidence of monthly bank reconciliation statements should be adequately documented and filed to facilitate future review.



### Management's Response

1.2.16.9 *The auditors' recommendation has been acknowledged by management. To find out how money was moved from the entity's bank accounts without the necessary number of authorized signatories, the NRF Management has started an investigation with UBA Bank Liberia Ltd.*

### Auditor General's Position

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

1.2.16.11 Management should expedite the conclusion of the proposed investigation and submit the investigation report to the Office of the Auditor General and the National Legislature within ninety (90) days upon the issuance of the Auditor General's report to the National Legislature.

### 1.2.17 Payroll not Reconciled to Financial Statements

#### Criteria

1.2.17.1 Regulations T.3(1e) of the PFM Act of 2009 as amended and restated 2019 states "The head of every Management Unit shall keep records of all Personnel Emolument of staff employed in his management unit, to ensure that:

- the amount of salary and other allowances authorized for payment to each staff is not exceeded".

1.2.17.2 Section 36(1) of the PFM Act of 2009 as amended and restated 2019 states that "it is a general responsibility under this Act for all government officials handling public financial transactions to ensure that financial information is reported in a timely, comprehensive, and accurate manner, in the manner prescribed in this Act, under its regulations, and in instruction issued by the Minister".

#### Observation

1.2.17.3 During the audit, we observed that the approved payroll journals and the payroll general ledger did not reconcile with the payroll expenditures reported in the financial statements for FY 2020/2021 to FY 2022. **See Table 21(a & b) for details.**

**Table 21a: Payroll Journals not Reconciled to Financial Statements**

Fiscal Year	Descriptions	Amount Per Financial Statement US\$ (a)	Amount Per Approved Payroll US\$ (b)	Difference US\$ c=(a-b)
FY2020/2021	Wages, Salaries and Other Employee Benefits	452,393	449,899	2,494
SBY2021	Wages, Salaries and Other Employee Benefits	232,319	231,242	1,077
FY 2022	Wages, Salaries and Other Employee Benefits	649,459	544,408	105,051
<b>Grand Total</b>		<b>1,334,171</b>	<b>1,225,549</b>	<b>108,622</b>

**Table 21b: Payroll (General Ledger) not Reconciled to Financial Statements**

<b>Fiscal Year</b>	<b>Descriptions</b>	<b>Amount Per Financial Statement US\$ (a)</b>	<b>Amount Per General Ledger US\$ (b)</b>	<b>Difference US\$ c=(a-b)</b>
FY2020/2021	Wages, Salaries and Other Employee Benefits	452,393	451,418	975
FY2022	Wages, Salaries and Other Employee Benefits	649,459	586,328	63,131
<b>Grand Total</b>		<b>1,101,852</b>	<b>1,037,746</b>	<b>64,106</b>

**Risk**

- 1.2.17.4 The completeness and accuracy of payroll expenditures may not be assured. Therefore, the financial statements may be misstated.
- 1.2.17.5 Salaries disbursements may be made above or below the approved salaries structures leading to misappropriation of the entity's funds.
- 1.2.17.6 Payments may be made to illegitimate employee/ghost leading to misappropriation of the entity's funds.

**Recommendation**

- 1.2.17.7 Management should account for the variances among payroll expenditures per the approved payroll journals, the general ledger, and the financial statements.
- 1.2.17.8 Subsequently, Management should adjust the financial statements to reflect the actual payroll expenditures of the entity. The adjusted financial statements should be submitted to the Office of the Auditor General, as part of Management's response to this Management Letter.
- 1.2.17.9 Going forward, Management should perform monthly reconciliation among the approved payroll journals, the general ledger and the financial statements. Variances identified should be investigated and adjusted where applicable in a timely manner. Evidence of monthly payroll reconciliation reports should be adequately documented and filed to facilitate future review.
- 1.2.17.10 Management should procure and operationalize a functional automated payroll management system to facilitate complete, accurate and real-time recording of all payroll transactions of the entity.
- 1.2.17.11 An automated control should be established such that transactions (along with supporting documents) posted by a junior staff must be reviewed and approved by senior personnel before the transactions appear in the payroll ledger. Going forward, an automated linkage should be created between the payroll ledger, trial balance and the financial statements to facilitate completeness and accuracy of the financial statements.



- 1.2.17.12 Management should also facilitate the operationalization of the electronic document management system by ensuring all relevant source and supporting documents for payroll transactions are scanned, attached to the transactions in the payroll and accounting software, archived and maintained to facilitate future review.

#### **Management's Response**

- 1.2.17.13 *Management acknowledges the audit's findings and clarifies that the HR department provided a cumulative roster of all employees for those years because of various payroll procedures that are carried out on a monthly basis. Following a careful examination of the findings, management evaluated at the end of the fiscal periods and has attached the amended payroll that reconciled or corresponds to journal and the financial statements. Management also reports that it has maintained a month-to-month payroll register since 2022, which will always be tied to the payroll. It also makes clear that before being submitted for payment, the Authority's payrolls undergo a number of layers of review. No employee was ever left off the payroll, and no excessive number of employees were ever paid.*

#### **Auditor General's Position**

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

### **1.2.18 Non-competitive Recruitments of Consultants**

#### **Criteria**

- 1.2.18.1 Section 68 (1) of the PPC Act of 2005 amended and restated 2010 States that for the purposes of procuring the services of a consultant, the procuring Entity shall prepare a shortlist of, generally, three (3) to six (6) consulting firms as determined by subsections (2) and (3) of this Section and, to the greatest extent feasible, comprising consultants of the same category and similar capacity and business objectives.
- 1.2.18.2 Additionally, Section 41 (1) (a) to (c) of the amended and restated Public Procurement and Concessions (PPC) Act of 2010 states that "The Procuring Entity shall be responsible for the administration and monitoring of contracts entered into by the Entity. The contract administration functions shall include at least the following: a) Ensuring that the contractor complies with the specifications and terms of the contract; b) Ensuring that the contract is being performed on schedule; c) Ensuring that, payments made to the contractors are in accordance with the terms of the contract."

#### **Observation**

- 1.2.18.3 During the audit, we observed that Management did not facilitate competitive recruitment of consultant for the periods under audit.
- 1.2.18.4 Further, we observed that Management facilitated payments amounting to US\$961,628.07 to consulting firms without evidence of valid contracts, tax clearance, and business registration certificates, bid evaluation reports, PPCC approval and service delivery reports for the period under audit. **See below Table 22 and Annexure 10 for details:**



**Table 22: Non-competitive Recruitments of Consultants**

<b>Fiscal Year</b>	<b>Description</b>	<b>Total Amount in US\$</b>
FY2020/2021	Consultants not Competitively Recruited	149,151.71
SBY Dec.2021	Consultants not Competitively Recruited	69,264.00
FY2022	Consultants not Competitively Recruited	743,212.36
<b>Grand Total</b>		<b>961,628.07</b>

**Risk**

- 1.2.18.5 Management may be non-compliant with Section 68 (1) of the PPC Act of 2005 amended and restated 2010 and Section 41 (1) (a) to (c) of the amended and restated Public Procurement and Concessions (PPC) Act of 2010.).
- 1.2.18.6 Management may recruit consultants that do not meet the required qualification and experience to contribute to the overall objectives of the entity.

**Recommendation**

- 1.2.18.7 Management should provide substantive justification for not facilitating competitive recruitment for consultants comprehensively catalogued in Annexure 10 below.
- 1.2.18.8 Management should submit copies of valid contracts, tax clearance and business registration certificates, bid evaluation reports, evidence of PPCC approval and service delivery reports for payments comprehensively catalogued in Table 22 and Annexure 10 not made available for audit purposes. The requested documents should be submitted to the Office of the Auditor General, as part of Management response to this Management Letter.
- 1.2.18.9 Management should ensure that all recruitment activities are carried out in full compliance with the approved human resources policy, Section 68 (1) of the PPC Act of 2005 amended and restated 2010 and Section 41 (1) (a) to (c) of the amended and restated Public Procurement and Concessions (PPC) Act of 2010.
- 1.2.18.10 Management should ensure that all consultants' files contain the relevant supporting documents indicative of proper vetting (an approved job description, publication of vacancies, job related test/ interview questions and background check information, copies of valid contracts, tax clearance and business registration certificates, bid evaluation reports, evidence of PPCC approval and service delivery reports, where applicable) in line with the approved human resources policy, Section 68 (1) of the PPC Act of 2005 amended and restated 2010 and Section 41 (1) (a) to (c) of the amended and restated Public Procurement and Concessions (PPC) Act of 2010.
- 1.2.18.11 Evidence of approved hiring documentation should be adequately documented and filed to facilitate future review.

**Management's Response**

- 1.2.18.12 *Management acknowledges the audit findings and clarifies that they followed a competitive procurement procedure to ensure value for money and good governance, with the exception*



of an internal advertisement in our bulletin and delay in preparing contract documentation. Management has already begun to publish all procurement of goods and services on the entity's official website and other print media; it has updated its procurement policy and procedures to align with PPC regulatory frameworks; and the institution has taken steps to ensure that all future consultant engagements follow external advertisement, internal evaluation, and documentation. Please review the attached (**Exhibit 1.2.21**) for proof of valid contracts, tax clearance and business registration certificates, evaluation reports, and PPCC approval.

### Auditor General's Position

1.2.18.13 We reviewed the documents subsequently submitted by Management, after our audit execution relative to expenditures made to consultants without adequate supporting documents. Therefore, we have adjusted the outstanding supporting documents to US\$65,757.10 (US\$961,628.07–US\$895,870.97) to be accounted for by Management. Therefore, we maintain our recommendations. We will follow-up on the implementation of our recommendations during subsequent audit. **See below table 22b for details.**

**Table 22b: Non-Competitive Recruitments of Consultants**

FY2020/2021				
Date	PAYEE	Check #	Description	Amount in US\$
13-Jul-20	Liberia Institute of Science & Business Technology Inc	E-payment	Payment for data inputting and NRF staff training on the SAGE 300 software	6,750.00
07-Sept-20	Liberia Institute of Science & Business Technology Inc	E-payment	Payment for sage data input and training of NRFO staff in SAGE software	3,375.00
	<b>Total (a)</b>			<b>10,125.00</b>
SBY2021				
11-Nov-21	WUREH-WALTERS-WUREH LIB INC	836341	Being payment for the purchase SAGE software license	13,350.00
10-Dec-21	Wureh Walters Wureh	875304	Payment for SAGE consultancy	4,032.00
	<b>Total (b)</b>			<b>17,382.00</b>
FY2022				
20-Jul-22	FIDELITY SOLUTIONS INC	ECOBANK LRD/CHK333	PAYMENT MADE TO FIDELITY SOLUTIONS INC FOR SMES AWARENESS TO MINISTRY OF COMMERCE, REF: J01FTRQ222010011 FUNDS TRANSFER (L\$2,076,264.9) @US\$151	13,750.10
21-Nov-22	HARVARD EDUCATORS (PROPRIETARY)	UBA LOAN	PAYMENT FOR REGISTRATION FEES SCHEDULED TO PARTICIPATE IN THE GENDER RESPONSIVE PLANNING AND BUDGETING TRAINING	24,500.00
	<b>Total (c)</b>			<b>38,250.10</b>

FY2020/2021				
Date	PAYEE	Check #	Description	Amount in US\$
	Grand Total (a + b + c)			65,757.10

### 1.2.19 Non-Retirement of Foreign Travel DSA

#### Criteria

- 1.2.19.1 Section 29 of the GoL Revised Travel Ordinance 2016/2017 states that "Upon return from abroad, officials are required to submit to the Financial Regulations Unit of the Ministry of Finance and Development Planning, a Travel Settlement Form as per Annexure II and copy of certificates for workshops, seminars, etc., used ticket stubs, copy of passport within 14 days from the date of return from tour or before date of next journey, whichever is earlier. In very exceptional cases where the second granted with the specific written approval of the official concerned, explaining the reasons thereof."

#### Observation

- 1.2.19.2 During the audit, we observed that a total amount of US\$140,862.55 was disbursed for foreign travel air tickets and Dailly Sustenance Allowance (DSA) for the fiscal period FY2020/2021 to FY2022 without evidence of retirement (copies of certificates for workshops, seminars, used ticket stubs, copies of passports, & etc). **See below Table 23 and Annexure 11 for details:**

**Table 23: Non-Retirement of Foreign Travel DSA**

Fiscal Year	Description	Amount US\$
FY2020/2021	Non-Retirement of Foreign Travel DSA	12,445.72
SBY2021	Non-Retirement of Foreign Travel DSA	58,104.43
FY2022	Non-Retirement of Foreign Travel DSA	70,312.40
<b>Grand Total</b>		<b>140,862.55</b>

#### Risk

- 1.2.19.3 Travel expenditures not appropriately retired/accounted for may lead to misappropriation of the entity's funds.
- 1.2.19.4 In the absence of travel activities reports, travel expenditure may be utilized for unapproved activities.

#### Recommendation

- 1.2.19.5 Management should account for travel expenditures made without evidence of travel activities reports comprehensively catalogued in **Table 23 and Annexure 11**.
- 1.2.19.6 Going forward, all incidental allowances should be duly retired/accounted for through the filling 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.



- 1.2.19.7 Evidence of all travel expenditures records including travel settlement forms, original copies of receipts and travel activities reports should be adequately documented and filed to facilitate future review.

#### **Management's Response**

- 1.2.19.8 *Management takes notice of the findings and clarifies the significance of maintaining supporting documentation to substantiate all travel-related expenses and ensure financial compliance. Following a review and reconciliation of our records, Management was able to retrieve and compile all supporting documentations related to foreign travel that were not previously provided and for which the auditors raised the above finding because they had been misfiled; they have now been located and are available for the auditor's review. To prevent future occurrences, the following measures have been instituted:*
- *A travel retirement checklist is now in use to ensure all required documents are submitted within a stipulated timeline after each trip.*
  - *Staff have been reminded through circulars and briefings of the requirement to retire travel advances within the set deadlines, with full supporting documentation.*
  - *The entity is exploring the implementation of an automated travel management system to track disbursements, travel, and retirements in real time.*
- 1.2.19.9 *Please find attached (**Exhibit 1.2.22**) for all documentation related to foreign travel.*

#### **Auditor General's Position**

- 1.2.19.10 We acknowledged Management's submission of supporting documents for travel expenditures after our audit execution. However, Management's provision of documents after our review, does not guarantee Management effective control of expenditure liquidation and document management.
- 1.2.19.11 Going forward, Management should ensure that requested documents for audit purposes are submitted in a timely manner. Management should also ensure that all records related to foreign travel are adequately documented and filed to facilitate future review.

### **1.2.20 Payment without Adequate Supporting Documents**

#### **Criteria**

- 1.2.20.1 Regulation P.9 (2) of the PFM Act of 2009 as Amended and Restated 2019 states that "Payments except for statutory transfers and debt services shall be supported by invoices, bills and other documents in addition to the payment vouchers."

#### **Observation**

- 1.2.20.2 During the audit, we observed that Management facilitated payments amounting to US\$780,795.89 without evidence of adequate supporting documents such as payment vouchers, invoices, cheques or receipts, etc. **See Table 24 and Annexure 12 below for details:**



**Table 24: Payments without Adequate Supporting Documents**

Fiscal Year	Description	Amount US\$
FY2020/2021	Payment without adequate Supporting Document	360,303.41
SBY2021	Payment without adequate Supporting Document	75,291.48
FY2022	Payment without adequate Supporting Document	345,201.00
<b>Total</b>		<b>780,795.89</b>

**Risk**

- 1.2.20.3 Payments may be made for goods not delivered or services not performed. Goods delivered or services performed may not meet the approved specifications.
- 1.2.20.4 In the absence of adequate supporting documents, the validity, occurrence, and accuracy of payments may not be assured. This may lead to misappropriation of the entity's funds.
- 1.2.20.5 The absence of adequate supporting documentation for transactions may also lead to fraudulent financial management practices, through the processing and disbursement of illegitimate transactions.
- 1.2.20.6 Management may override the procurement processes by completing disbursement without utilizing the required procurement methods.

**Recommendation**

- 1.2.20.7 Management should fully account for expenditure made without adequate supporting documents comprehensively catalogued in Table 24 and Annexure 12.
- 1.2.20.8 Going forward, Management should ensure all transactions are supported by the requisite supporting documents consistent with the financial management regulations. Documentation such as contracts, invoices, goods received notes, job completion certificates, purchase orders, payment vouchers etc. should be prepared and approved for the procurement of goods and services, where applicable. All relevant supporting records should be adequately documented and filed to facilitate future review.
- 1.2.20.9 Additionally, Management should facilitate the operationalization of the electronic document management system by ensuring that all relevant source and supporting documents are scanned, attached to the transaction (in the accounting software for financial transactions), archived and maintained to facilitate future review.

**Management's Response**

- 1.2.20.10 *Management acknowledges the audit findings and clarifies that business registration and tax clearance be linked to each payment voucher. Hence, we will provide genuine business registration certificates and tax clearances with all payments, as you requested. Please examine the attached contracts and certificates of completion and also see **Exhibit 1.2.23** for the business registration certificates and tax clearances, which are enclosed in the box files attached to this response.*



### Auditor General's Position

1.2.20.11 We reviewed the documents subsequently submitted by Management after our audit execution relative to expenditures made without adequate supporting documents. Therefore, we have adjusted the outstanding supporting documents to US\$78,119.30 (US\$780,795.89–US\$702,676.59) to be accounted for by Management. Therefore, we maintain our recommendations. We will follow-up on the implementation of our recommendations during subsequent audit. **See below table 24b for details.**

**Table 24b: Payments without Adequate Supporting Documents**

FY2020/2021			
DATE	BANK	Description	AMOUNT US\$
10-May-21	UBA Loan	CHQ IFO FREEDOM PRINTING PRESS	51,019.20
	<b>Total (a)</b>		<b>51,019.20</b>
SBY2021			
11-Nov-21	UBA	Being payment to WUREH-WALTERS-WUREH LIB INC for the purchase SAGE software license	13,350.00
	<b>Total (b)</b>		<b>13,350.00</b>
FY2022			
02-Jul-22	ECOBANK LRD	PAYMENT MADE FOR SMES AWARENESS TO MINISTRY OF COMMERCE (L\$2,076,264.9) @US\$151	13,750.10
	<b>Total (c)</b>		<b>13,750.10</b>
<b>Grand Total (a + b + c)</b>			<b>78,119.30</b>

### 1.2.21 Irregularities Associated with Procurement Management

#### Criteria

- 1.2.21.1 Section 30 (1 and 2) of the Public Procurement and Concessions Act of 2005 as amended and restated in 2010 states: "(1) Each Procurement Committee shall constitute a Bid Evaluation Panel with the required expertise as and when required to evaluate bids solicited by the Procuring Entity. (2) A Bid Evaluation Panel shall be responsible for the evaluation of bids in accordance with the predetermined and Published evaluation criteria as outlined to bidders in the bid documents in accordance with this Act and shall prepare and submit evaluation reports and recommendations for award for the consideration of the Procurement Committee or the Head of the Procuring Entity as provided in the Schedule".
- 1.2.21.2 Section 32 (1, 2 and 3) of the Public Procurement and Concessions Act of 2005 as amended and restated in 2010 states: (1) "In order to participate in procurement proceedings, a bidder must qualify by meeting the criteria set by the Procuring Entity, which will normally include evidence of: (a) Professional and technical qualifications; (b) Equipment availability, where applicable; (c) Past performance; (d) After-sales service, where applicable; (e) Spare parts availability; (f) Legal capacity; (g) Financial resources and condition; and (h) Verification by the internal revenue authority of payment of taxes and social security contributions when due. (2) The qualification criteria set forth in subsection (1) of this Section shall be applied by examining, through investigation and collaboration with other relevant agencies, to ascertain whether or not the bidder meets the minimum qualification criteria established for the bid and not by using a point system for comparing the relative level of qualifications of



participating bidders. (3) The Procuring Entity shall be entitled to demand qualification documentation from potential bidders in formal prequalification proceedings, or as a required component of a bid submission”.

**Observation**

1.2.21.3 During the audit, we observe the following irregularities associated with the procurement system:

- There was no evidence of periodic (quarterly and annual) procurement activities report submitted to PPCC.
- No evidence of application of the requisite methods (Request for quotation, national competitive bidding, sole sourcing, restricted bidding, international competitive bidding, etc.) where applicable for some transactions.
- Management made payments amounting to US\$497,454.20 without adequate supporting documentation such as: tax clearance, business registration certificate, checks, quotations, etc. to authenticate the transactions. **See below Table 25a and Annexure 13 for details.**

**Table 25a: Irregularities Associated with Procurement Management**

Fiscal Year	Expenditure description	Total Amount (US\$)
FY 2020/2021	Procurement Irregularities	89,970.25
SBY 2021	Procurement Irregularities	229,408.47
FY 2022	Procurement Irregularities	178,075.48
<b>Grand Total</b>		<b>497,454.20</b>

1.2.21.4 Further, we observed that Management facilitated payments amounting to L\$6,276,312.24 for purchases of 7,000 gallons of diesel fuel from VIRTUE OIL AND GAS as support to MPW monitoring and supervision without evidence of a contract, Bid Evaluation Report or Delivery Note to validate the authenticity of the transactions. **See below Table 25b for details:**

**Table 25b: Irregularities Associated with Procurement Management**

TRANS DATE	VALUE DATE	NARRATION	CHQ. NO	AMOUNT IN L\$
20-Jun-22	20-Jun-22	TRF IFO VIRTUE OIL & GAS	2453 13	6,276,312.24

**Risk**

1.2.21.5 In the absence of quarterly and annual procurement activities reports, Management may be non-compliant with the PPC Act of 2005 as amended and restated 2010.

1.2.21.6 Management may not adequately account for its procurement activities and impair effective monitoring of its procurement activities by the PPCC.

1.2.21.7 The non-application of the requisite procurement method may impair the achievement of value for money and facilitate fraudulent procurement activities.

1.2.21.8 In the absence of adequate supporting documents, the validity, occurrence and accuracy of payments cannot be assured. This may lead to misappropriation of the institution's funds.



- 1.2.21.9 Management may override the procurement processes by completing disbursement without utilizing the required procurement processes.

#### **Recommendation**

- 1.2.21.10 Management should provide evidence of supporting documents for transaction comprehensively catalogued in Table 25a and Annexure 13 and Table 25b not made available for audit purposes. The requested documents should be submitted to the Office of the Auditor General, as part of Management's response to this Management Letter.
- 1.2.21.11 Management should facilitate the preparation and submission of quarterly and annual procurement activities reports to the PPCC as required by the PPC Act of 2005 as amended and restated 2010.
- 1.2.21.12 Management should ensure that the requisite procurement methods are utilized for all procurement transactions to achieve value for money and ensure compliance to the PPC Act of 2005 as amended and restated 2010.
- 1.2.21.13 Evidence of approved annual procurement plan, quarterly and annual procurement activities reports, tax clearance, business registration certificate, checks, quotations, etc., and all relevant supporting procurement records should be adequately documented and filed to facilitate future review.
- 1.2.21.14 Additionally, Management should facilitate the operationalization of the electronic document management system by ensuring that all relevant source and supporting documents are scanned, attached to the transaction (in the accounting software for financial transactions), archived and maintained to facilitate future review.

#### **Management's Response**

- 1.2.21.15 *Management acknowledges the auditors' recommendation and fully agrees that the implementing partner (MPW) must provide evidence of the vehicles that were purchased. Several communications were written to the MPW regarding this, requesting them to amend the values of the contracts of concern by removing the purchase of vehicles from the BOQs. Attached are copies of few of the communications exchanged with the MPW regarding the subject. (See exhibit 1.2.24)*

#### **Auditor General's Position**

- 1.2.21.16 We acknowledged Management's subsequent submission of supporting documents for procurement transactions after our audit execution. However, Management's provision of documents after our review, does not guarantee Management effective control of expenditure liquidation and document management.
- 1.2.21.17 Going forward, Management should ensure that requested documents for audit purposes are submitted in a timely manner. Management should also ensure that all records related to procurement transactions are adequately documented and filed to facilitate future review.



## **1.2.22 Outstanding Payments for Resettlement Action Plan (RAP) by Government of Liberia on RIA Road Corridor**

### **Criteria**

- 1.2.22.1 Paragraph 4, Page 3 of the Report on the Implementation of Resettlement Action Plan (RAP) along the ELWA Junction to Rock Church Community (15 km) and the Unification City Center to Folley Town (10 km) road segments of the RIA Road Project 2021, states "The primary objectives of the RAP payment exercise were: 1) to ensure that the legitimate owners of project affected properties are compensated for their affected properties in line with the RAP verification/disclosure forms; and 2) to ensure that only legitimate owners of project affected properties are compensated. By so doing, the wastage of limited financial resources would be avoided and the integrity of the RAP process maintained."
- 1.2.22.2 Additionally, according to Paragraph (1 & 2) of the World Bank OP 4.12: Involuntary Resettlement, requires that "The policy aims to avoid or minimize involuntary resettlement where feasible. When resettlement is unavoidable, it seeks to ensure that displaced persons are provided with adequate compensation and support. The policy mandates that displaced individuals or communities receive compensation and assistance to restore their livelihoods and living conditions to at least their pre-displacement levels. 2) Key Principles-Consultation: Effective consultation with affected communities is required. The process should be participatory, allowing affected people to be involved in the planning and implementation of resettlement activities, Compensation: Affected persons should be compensated for their losses. This includes not only physical assets but also any loss of income or livelihood opportunities, Livelihood Restoration: Resettlement plans must include measures to restore or improve the living standards and livelihoods of displaced individuals, and Grievance Mechanism: A mechanism should be established to address grievances from affected persons regarding the resettlement process."

### **Observation**

- 1.2.22.3 During the audit, we observed that payments for the Resettlement Action Plan (RAP) for Project Affected Persons (PAPs) on the RIA Road Project, Phase-1, had not been made in full as of December 31, 2022. Additionally, we observed that the Government of Liberia paid only 30% of the Resettlement Action Plan (RAP) for Project Affected Persons (PAPs) on the RIA Road Project, Phase-1, resulting in a 70% unpaid variance.
- 1.2.22.4 Further, we observed no evidence of a Resettlement Policy Framework (RPF) for the RIA Road Project, Grievance Redress Committee meeting minutes for the establishment of a Grievance Redress Mechanism, or community consultation and awareness meeting minutes for participation and meaningful consultations with affected Communities for audit review.

### **Risk**

- 1.2.22.5 The Government's inability to settle RAP payments may impair the timely completion of the road construction projects.
- 1.2.22.6 Untimely disbursement of RAP payments may also result into potential disruption, litigation and/or reputational damage for the entity.



- 1.2.22.7 In the absence of Resettlement Policy Framework (RPF), functional Grievance Redress Committee meeting and community consultation and awareness, stakeholders buy-in, and the smooth coordination and implementation of road construction projects may be impaired.

**Recommendation**

- 1.2.22.8 Management should provide substantive justification for non-remittance of 70% of RAP payments amounting to US\$3,145,436.36.
- 1.2.22.9 Going forward, Management should adequately budget for and facilitate timely remittance for both the arrears and subsequent RAP payments for all construction projects. Evidence of approved budget, RAP arrears settlement plan, RAP disbursement reports and all other relevant supporting records should be adequately documented and filed to facilitate future review.
- 1.2.22.10 Management should develop, approve and operationalize the Resettlement Policy Framework (RPF) to regulate the activities over community engagements, RAP disbursements and stakeholders' coordination activities. The policy should contain provisions for targeted stakeholders to engage during the project, timing of meetings, proposed schedule for RAP payments and mechanism for settling of potential disputes with stakeholders.
- 1.2.22.11 Management should facilitate adequate and comprehensive documentation of periodic meeting minutes and activities reports for the Grievance Redress Mechanism, or community consultation and awareness meetings. Management should also institute a platform for following-up on decisions made at Grievance Redress Mechanism, or community consultation and awareness meetings. An update of progress towards previous meeting agreed actions/deliverable should be discussed during current meetings, as a medium for tracking institutional progress and planning for future activities.
- 1.2.22.12 Evidence of approved Resettlement Policy Framework (RPF), periodic meeting minutes and activities reports of the Grievance Redress Mechanism, or community consultation and awareness, and all other relevant supporting records should be adequately documented and filed to facilitate future review.

**Management's Response**

- 1.2.22.13 *Management disagrees with the audit assertion. All payments were agreed between the GOL and the affected communities. The amount paid to the affected communities is considered a full payment to those communities. Therefore, there are documentations to substantiate those claims. See Exhibit 1.2.25-1.2.29 for details.*

**Auditor General's Position**

- 1.2.22.14 Management's assertions were not supported by adequate documentation. The supporting documents provided by Management in Exhibit 1.2.25-1.2.29 referred to the 30% RAP payments documented in our audit findings. Management provided no evidence of payments of the outstanding 70% nor submitted legal documentation for the waiver of the outstanding



70% RAP payments. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

### **1.2.23 Outstanding Payment for Resettlement Action Plan (RAP) by Government of Liberia on Sanniquellie to Loguatu Road Corridor (47.1Km)**

#### **Criteria**

- 1.2.23.1 Section 3.1.9 (b) (i) of the consulting service contract signed between the Liberian Government and AIC Progetti/TIS Engineering Construction Consultants for the supervision of the Sanniquellie to Loguatu road Construction states that "A Resettlement Action Plan was prepared for the project. The RAP identifies the Project Affected Persons (PAPs) and various properties and crops that shall be affected by the works. In this regard, the Consultant shall: (i) monitor the implementation of the RAP and provide monthly reports. The report shall include progress in the implementation of the RAP and challenges"

#### **Observation**

- 1.2.23.2 During the audit, we observed that 21 affected property owners were pending compensation of L\$8,608,822.66, whilst 10 persons payment of L\$5,415,914.70 were withheld due to ownership issues, which the Government of Liberia is yet to settle payments with affected properties owners along the Sanniquellie to Loguatu Road project Phase-1 for the period under audit.

#### **Risk**

- 1.2.23.3 The Government's inability to settle RAP payments may impair the timely completion of the road construction projects.
- 1.2.23.4 Untimely disbursement of RAP payments may also result into potential disruption, litigation and/or reputational damage for the entity.

#### **Recommendation**

- 1.2.23.5 Management should provide substantive justification for non-remittance of RAP payments amounting to L\$14,024,737.36.
- 1.2.23.6 Going forward, Management should adequately budget for and facilitate timely remittance for both the arrears and subsequent RAP payments for all construction projects. Evidence of approved budget, RAP arrears settlement plan, RAP disbursement reports and all other relevant supporting records should be adequately documented and filed to facilitate future review.

#### **Management's Response**

- 1.2.23.7 *The 10 property affected persons (owners along the Sanniquellie to Loguatu Road project Phase-1) whose payment represents L\$5,415,914.70 have been duly paid.*



### Auditor General's Position

- 1.2.23.8 We reviewed the documents subsequently submitted by Management after our audit execution relative to GOL's contribution to RAP payments. Therefore, we have adjusted the outstanding supporting documents for GOL's contribution to RAP payments to L\$8,608,822.66 (L\$14,024,737.36– L\$5,415,914.70) to be accounted for by Management. Therefore, we maintain our recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

### 1.2.24 RAP Payments not Traced to Bank Statements.

#### Criteria

- 1.2.24.1 Regulations A.3 of the Public Financial Management (PFM) Act of 2009 as amended and restated 2019 states "any public officer concerned with the conduct of financial matters of the Government of Liberia, or the receipt, custody and disbursement of public and trust moneys, or for the custody, care and use of government stores and inventories shall keep books of accounts and proper records of all transactions and shall produce the books of accounts and records of the transactions for inspection when called upon to do so by the Auditor General, the Comptroller General, the relevant internal auditor or any officers authorized by them, by the Minister."
- 1.2.24.2 Regulation O.24 (2) of the Public Financial Management Act of 2009 states that "A Head of Government Agency shall, in relation to sub-regulation (1) appoint an officer who shall examine and check daily, all entries in cash books and other books of account, the counterfoils or copies of receipts or original documents to verify the correctness of the transactions"

#### Observation

- 1.2.24.3 During the audit, we observed that Management prepared the RAP (Resettlement Action Plan)-related expenditure ledger for the RIA road project and the Sehyikimpa to Loguatu road project with no transaction references, check numbers, or payee account information. Further, we observed that individual transactions amounting to US\$937,702.80 in the ledger could not be reconciled to NRF bank accounts. **See below Table 26 for details:**

**Table 26: RAP Payments not Traced to Bank Statements.**

No.	Date	BANK	Description	Amount US\$
1	5-Jan-22	UBA LOAN	RIA RAP PAYMENT	101,663.98
2	6-Jan-22	UBA LOAN	RIA RAP PAYMENT	93,346.78
3	13-Jan-22	UBA LOAN	RIA RAP PAYMENT	18,572.40
4	1-Mar-22	UBA LOAN	PAYMENT IN FAVOR OF RAP VITICMS	10,939.56
5	1-Mar-22	UBA LOAN	PAYMENT IN FAVOR OF RAP VITICMS	40,124.60
6	10-Mar-22	UBA LOAN	PAYMENT IN FAVOR OF RAP VITICMS	7,930.68
7	21-Mar-22	UBA LOAN	PAYMENT IN FAVOR OF RAP VITICMS	105,916.78
8	16-Jun-22	ECOBANK USD	PAYMENT FOR RAP AFFECTED PROPERTIS ALONG THE ELWA JUNCTIONS TO ROCK CHURCH AND UNIFICATION CITY TO FOLLEY TOWN ROAD CORRIDORS IN FAVOR OF	216,116.94

No.	Date	BANK	Description	Amount US\$
			MADAM ANNA M DOE ET LA	
9	30-Jun-22	UBA LOAN	Payment for project affected persons along the Karnplay to Loguatuo, Nimba County	237,149.65
10	30-Nov-22	ECOBANK	Payments to RAP affected persons	105,941.43
	<b>Total</b>			<b>937,702.80</b>

### Risk

- 1.2.24.4 Posting of bulk payments in the general ledger without journal vouchers being raised cataloguing the relevant references including check numbers, voucher numbers, transactions details, payees, amount per payee, etc., may impair effective reconciliation and review.
- 1.2.24.5 The completeness, existence and accuracy of closing cash balance and expenditures may not be assured. Therefore, the financial statements may be misstated.
- 1.2.24.6 Fair presentation and full disclosures of closing cash balance and expenditures may be impaired.

### Recommendation

- 1.2.24.7 Management should account for transactions cataloguing RAP payments per the general ledger which could not be traced to the bank statements.
- 1.2.24.8 Going forward, Management should ensure that individual RAP payments along with the relevant references including check numbers, voucher numbers, transactions details, payees, amount per payee, etc., are recorded directly in the general ledger. Alternatively, Management should raise a journal voucher for bulk transactions posted to the general ledger comprehensively cataloguing check numbers, voucher numbers, transactions details, payees, amount per payee, etc. Copies of payment vouchers, checks and disbursements reports should be attached to the approved journal voucher, and adequately referenced and filed to facilitate future review.
- 1.2.24.9 Management should facilitate monthly reconciliation among the general ledger, financial statements and the bank statements. Variances identified should be investigated and adjusted where applicable in a timely manner. Evidence of monthly reconciliation reports should be adequately documented and filed to facilitate future review.

### Management's Response

- 1.2.24.10 Management acknowledges the auditors' recommendations and has completed the tracing of RAP payments to the bank statements. **See Exhibit 1.2.27**

### Auditor General's Position

- 1.2.24.11 Management's assertions were not supported by documentary evidence. The document provided in Exhibit 1.2.27 were copies of bank statements for which we could not trace the transactions per the general ledger, comprehensively catalogued in table 28 above. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.



### **1.2.25 Pending Compensation Payments for Affected Property Owners on the Sehyikimpa to Karnplay City, Phase 1 (25.0 km) Road Project**

#### **Criteria**

- 1.2.25.1 Paragraph 2, Page 2 of the Report on the Implementation of Resettlement Action Plan (RAP) along the Sehyikimpa to Karnplay City Road Segment-Phase-1 (25.0 km) 2022, states that "Purpose of the RAP Payment Exercise The primary objectives of the RAP payment exercise were: 1) to ensure that the legitimate owners of project affected properties are compensated for their affected properties in line with the verification report submitted by the RAP Team, and 2) to ensure that only legitimate owners of project affected properties are compensated. By so doing the wastage of limited financial resources would be avoided and the integrity of the RAP process maintained."

#### **Observation**

- 1.2.25.2 During the audit, we observed that Management did not remit RAP compensation payments for Sehyikimpa to Karnplay City, Phase 1 (25.0 km) Road Project for a total of four affected property owners amounting to US\$8,121.44.

#### **Risk**

- 1.2.25.3 The Government's inability to settle RAP payments may impair the timely completion of the road construction projects.
- 1.2.25.4 Untimely disbursement of RAP payments may also result into potential disruption, litigation and/or reputational damage for the entity.

#### **Recommendation**

- 1.2.25.5 Management should provide substantive justification for non-remittance of RAP payments amounting to US\$8,121.44.
- 1.2.25.6 Going forward, Management should adequately budget for and facilitate timely remittance for both the arrears and subsequent RAP payments for all construction projects. Evidence of approved budget, RAP arrears settlement plan, RAP disbursement reports and all other relevant supporting records should be adequately documented and filed to facilitate future review.

#### **Management's Response**

- 1.2.25.7 *Management acknowledges the auditor's recommendation. However, the 4 property affected persons, along the Sehyikimpa to Karnplay City, Phase 1 (25.0 km) Road Project, of US\$8,121.44 have been paid in full.*

#### **Auditor General's Position**

- 1.2.25.8 Management's assertions were not supported by documentary evidence. Management provided no evidence of payment vouchers, checks, bank statements and other relevant supporting records for RAP payments catalogued in our findings above. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

## 1.2.26 Irregularities Associated with Fixed Assets Management

### Criteria

- 1.2.26.1 Regulation V.4 of the PFM Regulation of 2009 states" (1) Furniture, and equipment issued for Government quarters or offices or vehicle and other fixed asset shall be brought on a master inventory of the Government Agency. (2) The master inventory shall record under each category of item: (a) the date and other details of the voucher or other document on which the items were received or issued; (b) their serial numbers where appropriate; and (c) their distribution to individual locations and the total quantity held. (3) In respect of each individual location, there shall be made two copies of the inventory showing all items held at the location; one copy of the inventory shall be kept with the master inventory and the other copy at the location. (4) The dates and other details of all receipts and issue of items to or from the location shall be recorded on both copies of the inventory as they occur. (5) The initial entries and all other entries made later on both copies of the inventory shall be validated by the signature of the officer having the use of the items, or where there is more than one officer, the most senior of them.
- 1.2.26.2 Regulation V.1 (2) of the PFM Act of 2009 states that "The Head of Government Agency must take full responsibility of assets assigned to him by the General Services Agency and ensure that proper control systems exist for assets and that:(a) preventive mechanisms are in place to eliminate theft, losses, wastage and misuse; And (b) inventory levels are at an optimum and economical level".

### Observation

- 1.2.26.3 During the audit, we observed that the following irregularities were associated with the Fixed Assets Management System:
- There was no evidence of approval of the fixed assets management policy;
  - The fixed assets register did not contain all the relevant columns;
  - The fixed assets register was not regularly updated;
  - Some fixed assets of the entity were not coded;
  - There was no evidence of periodic physical verification of assets by Management;
  - There was no evidence of movement of assets form;
  - Fixed assets within a given vicinity were not displayed as required by the PFM Act.
  - Some assets in the fixed Assets register were not seen. **See below Table 27(a, b & c) for details.**

**Table 27a: Fixed Assets not Coded**

No.	Date	Asset code	Asset Descriptions	Asset Location	Value US\$
1	27-Jan-21		Hisense 50"	ICT	800.00
2	27-Jan-21		Hisense 50"	MANAGER'S OFFICE	800.00
3	27-Jan-21		UPS	ADMINISTRATIVE ASSISTANCE	250.00
4	N/A		Lenovo - ThinkPad	Administrative Office	1,140.00
5	N/A		APC Brand	MANAGER'S SECRETAR	250.00
6	27-Jan-21		Printer	MANAGER'S SECRETARY	250.00



*Management Letter On the  
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For the period July 1, 2020 to December 31, 2022*

<b>No.</b>	<b>Date</b>	<b>Asset code</b>	<b>Asset Descriptions</b>	<b>Asset Location</b>	<b>Value US\$</b>
7	27-Jan-21		Printer	PROGRAM OFFICER	250.00
8	27-Jan-21		APC 6kva-Rack mount	I.T Specialist	270.00
9	27-Jan-21		Access Point E 7500	I.T Specialist	345.00
10	27-Jan-21		G Pong 4000	I.T Specialist	240.00
11	05-Jan-22		LaserJet, MFP Series, Color, all in one etc...	NRF Manager & Secretary Offices	1,550.00
12	14-Jan-22		Core i5, 3.40 GHZ CPU, 10 generators, 1TB SSD etc...	Finance Officer II & Program Officer	3,300.00
13	28-Apr-22		APC brand. BV 650VA	Program, Finance, HR & Operations Departments	625.00
14	28-Apr-22		Dell Optiplex 7080 MT, i5 10500, 4GB. 10th Gen, 16GB RAM, 1 TB	Technical Assistant, Account Assistant & HR Offices	4,425.00
15	28-Apr-22		HP Color Laser. MFP M283 fdw	Program Officer	1,125.00
16	05-Jul-22		HP 290- Monitor & System Unit-Intel Core i7. RAM 8GB, SATA HARD DRIVE 1TB	Operations Assistant	1,875.00
17	05-Jul-22		Lenovo ThinkPad T14- intel Core i5. RAM 8GB, 256 GB	Communication Assistant	1,575.00
18	29-Jul-22		HP Color Laserjet. MFP M277 series color 3 in 1	Finance Officer I & Operations	1,150.00
19	08-Aug-22		Small Filing Cabinet	Communication Assistant	140.00
20	08-Aug-22		Office Desk 120CM with Drawers	Communication Assistant	135.00
21	08-Aug-22		Semi Executive chair swivel Type High Back Metal Base	Communication Assistant	175.00
22	02-Sep-22		Zebra Roller Blinds 190*180 LT Brown	Finance Officer II	144.00
23	04-May-22		Omega Desk Tray 3 Tier	Finance Department	140.00
24	04-May-22		D-036 120CM W/3 Drawers. Cherry (color)	(Accountant) Finance Department	175.00
25	04-May-22		Semi-Managerial office chair. 6062 Leather seat	(Accountant) Finance Department	275.00
26	01-Apr-22		APC brand. BV 650VA	Procurement, Finance Officer II & ICT Offices	1,575.00
27	01-Apr-22		Dell Optiplex 7080 MT, i5 10500, 4GB. 10th Gen, 16GB RAM, 1 TB	Procurement, Finance Officer II & ICT Offices	14,850.00
	<b>Total</b>				<b>37,829.00</b>



**Table 27b: Fixed Assets not Physically Verified**

No.	Date	Asset code	Asset Descriptions	Asset Location	Value US\$	Status
1	27-Jan-21		Hisense 50"	ICT	800.00	Asset not Found
2	27-Jan-21		Hisense 50"	MANAGER'S OFFICE	800.00	Asset not Found
3	27-Jan-21		APC 6kva-Rack mount	I.T Specialist	270.00	Asset not Found
4	27-Jan-21		Access Point E 7500	I.T Specialist	345.00	Asset not Found
5	27-Jan-21		G Pong 4000	I.T Specialist	240.00	Asset not Found
6	N/A		Lenovo - ThinkPad	Administrative Office	1,140.00	Asset not Found
7	05-Jul-22		HP 290- Monitor & System Unit-Intel Core i7. RAM 8GB, SATA HARD DRIVE 1TB	Operations Assistant	1,875.00	Asset not Found
8	28-Apr-22		APC brand. BV 650VA	Program, Finance, HR & Operations Departments	625.00	Asset not Found
<b>Total</b>					<b>6,095.00</b>	

**Table 27C: Vehicle Funded by NRF for MPW Supervision Not Physically Verified**

No	Description	Road Length (km/sq.m)	Name Contractor	Contract value (USD)	Number of Vehicle	Vehicle Cost US\$
<b>PERIODIC MAINTENANCE PRIMARY UNPAVED ROADS</b>						
1	ITI Bridge-Greenville (100km)	100.0	Desire Construction Company	1,905,218.80	1	40,000.00
2	Tapitta-Zleh Town (71km)	71.0	Desire Construction Company	1,355,132.10	1	40,000.00
3	Zleh Town- Zwedru-Joabo Town (66km)	66.0	Chen Liberia Limited	2,498,903.40	1	21,000.00
4	Joabo Town-Putuken (72km)	72.0	JD Construction Company	1,803,225.90	1	21,000.00
5	Konia-Voinjama	68.0	East International	1,846,743.94	1	40,000.00
6	Voinjama-Foya (Mendikorma)	63.0	SSF Enterprise	1,042,062.53	1	40,000.00
<b>Total</b>						<b>202,000.00</b>
<b>PERIODIC MAINTENANCE: DOUBLE CHIP SEAL WORKS</b>						
1	Cestos City Chipsealing	5.0	Sidani Group of Holdings Inc.	1,565,066.63	1	15,000.00

No	Description	Road Length (km/sq.m)	Name Contractor	Contract value (USD)	Number of Vehicle	Vehicle Cost US\$
2	Chips Seal Pavement of Urban Streets in Firestone	15.0	Quality Group of Construction Companies	35,000.00	1	35,000.00
	<b>Total</b>					<b>50,000.00</b>
<b>PERIODIC MAINTENANCE PRIMARY PAVED ROADS</b>						
1	Harper-Karloken and Harper Junction-Cavalla Carriageway clearing, desilting of Drainage, road side brushing, maintain day to day serviceability, minor pothole repairs.	66.0	Chen Liberia Enterprise	333,086.65	1	45,000.00
	<b>Total</b>					<b>45,000.00</b>
	<b>Grand Total</b>					<b>297,000.00</b>

### Risk

- 1.2.26.4 Fixed Assets may be misstated (Over/understated).
- 1.2.26.5 Fixed Assets may be damaged or impaired but their values are still on the books.
- 1.2.26.6 Fixed Assets may be removed from the entity's premises without authorization, misappropriated, subjected to personal use or theft.
- 1.2.26.7 The lack of asset movement log may make it difficult to keep track of assigned or transferred assets, which may lead to misuse, loss or theft of assets without being noticed.
- 1.2.26.8 Failure to properly account for fixed assets may lead to theft and misapplication of equipment/materials. This may result in the non-achievement of the entity's objectives.
- 1.2.26.9 Fixed Assets not coded may be susceptible to theft or diverted to personal use.

### Recommendation

- 1.2.26.10 Management should facilitate approval of the fixed assets policy by the IMSC and subsequently operationalize same to regulate fixed assets activities of the entity.
- 1.2.26.11 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 assets.
- 1.2.26.12 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.



- 1.2.26.13 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.
- 1.2.26.14 The Fixed Assets Register should be updated periodically to reflect all the entity's assets.
- 1.2.26.15 Fixed Assets within a particular vicinity should be clearly displayed as required by the PFM Act.
- 1.2.26.16 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**

- 1.2.26.17 *Management acknowledges the auditor's recommendation. However, the NRF has a fixed asset management register in place that captures all of its assets with unique codes.*

#### **Auditor General's Position**

- 1.2.26.18 Management's assertions did not adequately address the issues raised. Management provided no evidence of fixed assets management policy, unique coding system per individual assets, periodic physical verification of fixed assets, and other relevant controls including the movement of assets forms and assets display logs. Management also did not provide evidence of fixed assets not made available for our physical verification comprehensively catalogued in table 27(a- c) above. Therefore, we maintain our recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.
- 1.2.26.19 Further, Management should facilitate the conduct of physical verification for the assets not made available during our physical verification exercise. The report from the proposed physical verification should be submitted to the Office of the Auditor General for validation within 3 months upon the issuance of the Auditor General's Report to the National Legislature.

#### **1.2.27 No Evidence of Approved Quarterly Work Plan**

##### **Criteria**

- 1.2.27.1 Section 5.2 of the Professional Service Contract signed between the Ministry of Finance and Development Planning and the Road Fund Manager requires that the Road Fund Manager develops a quarterly work plan which shall be discussed and agreed to by the Consultant (Road Fund Manager) and the Ministry of Finance and development Planning. The quarterly work program is to be provided in advance, at least one week prior to the commencement of the quarter. The Consultant reports directly to the Minister of Finance and Development Planning.
- 1.2.27.2 Further, Section 5.3 of the Contract requires that the breakdown of the approved monthly and quarterly work plan should be where the measurable outputs, deliverables and goals are specifically and succinctly outlined.



### **Observation**

- 1.2.27.3 During the audit, we observed no evidence that the Road Fund Manager developed a quarterly work plan that was discussed and agreed to by the Road Fund Manager and the Ministry of Finance and Development Planning.

### **Risk**

- 1.2.27.4 Project deliverables may not be implemented within the approved timelines. This may impair the achievement of the entity objectives.
- 1.2.27.5 Key performance indicators may not be documented and pursued. This may impair effective monitoring and evaluation of the performance of the Fund Manager and the entity.

### **Recommendation**

- 1.2.27.6 Going forward, Management should develop quarterly work plan to facilitate the smooth implementation of planned road maintenance and administrative activities of the entity. The work plan should comprehensively catalog planned activities, phases of deliverables and corresponding budget/payments required to implement each phase of approved deliverables. The work plan should be discussed with and approved by the Minister of Finance.
- 1.2.27.7 The Management of NRF and the MFDP should facilitate periodic monitoring and evaluation of approved project activities to ensure that services paid for are performed in a timely manner consistent with approved work plans and budget. Gaps identified should be investigated and resolved where applicable in a timely manner. The Management of MFDP should utilize the periodic monitoring and evaluation reports and performance appraisal to determine if the contract of the Fund Manager should be renewed.
- 1.2.27.8 Evidence of approved work plans, budget and periodic monitoring and evaluation reports should be adequately documented and filed to facilitate future review.

### **Management's Response**

- 1.2.27.9 *Management acknowledges the Auditors' recommendation. Going forward, Management will Develop a quarterly work plan to facilitate the smooth implementation of planned road maintenance and administrative activities of the entity. The work plan will comprehensively catalog planned activities, phases of deliverables, and corresponding budget/payments required to implement each phase of approved.*

### **Auditor General's Position**

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

## **1.2.28 No Evidence of Monitoring and Supervision Reports**

### **Criteria**

- 1.2.28.1 Section VII, of the MPW Technical Specification for Asphalt Road 2011, requires that "The Ministry of Public Works shall designate a Project Engineer for the duration of the project



that shall be responsible for the monitoring and supervision of the project to ensure that the works under this agreement are in conformity with the technical specifications as well as the designs and drawings contained in the Bill of Quantity (BOQ). The Project Engineer shall submit monthly reports to the Assistant Minister for Operations and serve copies to the office of the Deputy Minister for Technical Services.”

- 1.2.28.2 Regulation A.15 (1) of the PFM Act of 2009 as amended and restated 2019 states that "a head of government agency must exercise all reasonable care to prevent and detect unauthorized, irregular, fruitless, and wasteful expenditure, and must for this purpose implement clearly defined business processes, identify risk associated with these processes and institute effective internal controls to mitigate these risks.

### **Observation**

- 1.2.28.3 During the audit, we observed no evidence of monthly monitoring and supervision reports from the Engineer-In-Charge (E.I.C.) Project Engineer for each road rehabilitation and maintenance project/contract funded by the National Road Fund. Further, we observed no evidence of site meeting minutes for audit review. **See below Annexure 14 for details:**
- 1.2.28.4 Further, we observed no evidence of a functional Monitoring and Evaluation Committee (M&E) to provide the required oversight for the full implementation of projects activities within approved timelines, evidenced by the absence of meeting minutes and periodic reports

### **Risk**

- 1.2.28.5 The lack of supervision report may deny stakeholders such as the Government, the general public and partners information on the status of road work financed by the NRF.
- 1.2.28.6 In the absence of effective monitoring and evaluation, project deliverables may not be achieved up to approved specifications and within approved timelines.
- 1.2.28.7 Value for money may not be achieved and project resources may be subjected to misappropriation.

### **Recommendation**

- 1.2.28.8 Management should provide copies of the engineering supervision reports for road projects comprehensively catalogued in Annexure 14 below, not made available for audit purposes. The requested reports should be submitted to the Office of the Auditor General, as part of Management’s response to this Management Letter.
- 1.2.28.9 Management should facilitate the establishment of a functional Monitoring and Evaluation Committee (M&E), evidenced by the documentation of attendance records, meeting minutes, and periodic activities reports. The M&E Committee should liaise with the project engineers assigned by MPW to facilitate the preparation of comprehensive monitoring and evaluation detailing the status, challenges, and recommendations for all road rehabilitation and maintenance projects. Evidence of attendance records, meeting minutes, and periodic activities reports should be adequately documented and filed to facilitate future review.



### **Management's Response**

- 1.2.28.10 *Management acknowledges the Auditors' recommendations. Currently, management prepares a comprehensive evaluation that shows a detailed status of all rehabilitation and maintenance projects. Attached are copies of the NRF M&E Technical Checklists and MPW Technical Supervision Reports for the contracts listed under this finding. (See exhibit 1.2.31)*

### **Auditor General's Position**

- 1.2.28.11 Management's assertions were not supported by documentary evidence. We obtained no evidence of copies of the engineering supervision reports for road projects comprehensively catalogued in Annexure 14 as requested. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

## **1.2.29 Payments without Contracts, Bills of Quantities (BOQs) and Specifications**

### **Criteria**

- 1.2.29.1 Section 1.1 of the 2020/2021 budget Act ("Fiscal measures") states that "the Ministry of Public Works, for the purpose of attaining value for money, shall submit to the Legislature through the Public Accounts Committee, the individual specifications and road designs with the Bill of Quantity (BOQ) and contracts for road constructions of Fiscal Year 2019/2020 and Fiscal Year 2020/2021 proposals before and after implementation."
- 1.2.29.2 Section 66 of the Public Procurement and Concessions Act of 2005 as amended and restated 2010 states that "(2) A procurement contract shall come into force for a procurement requiring the execution of a contract which shall be binding on the bidder and the Procuring Entity when the contract is signed by the bidder and by the Procuring Entity subject to the requirements of Section 31 and to the remedies in Section 127 of this Act."

### **Observation**

- 1.2.29.3 During the audit, we observed that NRF Management facilitated payments amounting to US\$38,062,768.68 to several road construction companies located in various regions of the country. However, we observed no evidence of the accompanying Bills of Quantities (BOQs), contracts and other relevant supporting records to substantiate the legitimacy of the payments. **See below Annexure 15 for details.**

### **Risk**

- 1.2.29.4 Management may be non-compliant with the required procurement method. Management may override the procurement process by completing disbursement without utilizing the required procurement method.
- 1.2.29.5 Payments may be made for goods and services not delivered or the specification of goods and services per the approved contracts may not be delivered/received. This may impair the achievement of value for money.



- 1.2.29.6 In the instance of breach of terms of contracts, documentation to facilitate litigation may not be available. This may lead to financial and/or reputational losses.
- 1.2.29.7 Payments may not be consistent with the approved terms and conditions. This may lead to dispute, breach of contract, litigation, financial losses and/or reputational damages.

**Recommendation**

- 1.2.29.8 Management should submit the contracts, BOQs and other relevant procurement records for payments, not made available for audit purposes, comprehensively catalogued in Annexure 15 to the Office of the Auditor General as part of Management's response to this Management Letter.
- 1.2.29.9 Going forward, Management should develop contracts for the provision of all goods and services within the threshold required by the PPC Act. The contracts should include nature of goods/service to be delivered, value of the goods/services, timing of delivery of goods/services, payment terms for delivery of goods/services and a clearly defined repercussion for breach of contract terms.
- 1.2.29.10 Subsequently, Management should facilitate the approval of contracts by all parties and ensure that the provisions of the contracts are fully operationalized. Management should also ensure that proper coordination, monitoring and evaluation of the contract terms are implemented periodically during the execution of the contracts. Payment should be made consistent with phase of completion as enshrined in the approved contracts.
- 1.2.29.11 Additionally, Management should facilitate the operationalization of the electronic document management system by ensuring that all relevant source and supporting documents are scanned, attached to the transaction (in the accounting software for financial transactions), archived and maintained to facilitate future review.

**Management's Response**

- 1.2.29.12 *Management acknowledges the Auditors' recommendations. Attached are copies of the requested contracts, BOQs and Specifications. Management apologizes for not making them available when requested. This must have been due to oversight or mis-communication. (See Exhibit 1.2.32)*

**Auditor General's Position**

- 1.2.29.13 We acknowledge Management's subsequent submission of contracts and bill of quantities after our audit execution. However, Management's provision of documents after our review, does not guarantee Management effective control of expenditure liquidation and document management.
- 1.2.29.14 Going forward, Management should ensure that requested documents for audit purposes are submitted in a timely manner.



### 1.2.30 Non-Compliance with Installation of Project Signboards

#### Criteria

- 1.2.30.1 Section 127 (Paragraph C) of the Ministry of Public Works Technical Specification for Asphalt Roads, states that "the Contractor shall provide and erect a sign board at the main entrances to the site and at the site camp, where directed by the Engineer. The boards, with suitable inscription, shall include the name of the project, the name of the employer, the name of the financing institution, the name of the consultant and the name of the Contractor etc. The boards approx. 3.30 m x 3.20 size, shall be approved by the Engineer, before erection."

#### Observation

- 1.2.30.2 During the audit, we observed that none of the NRF-sponsored road rehabilitation and maintenance projects (138) had signboards built at the beginning and end of the construction site to designate the project's starting and ending positions. **See Annexure 16 below for details:**

#### Risk

- 1.2.30.3 In the absence of erected signboards as required, project demarcation, visibility, and publicity of the project may be impaired. Stakeholders may not be duly informed about the deliverables, timelines, donors and contractors associated with the project.

#### Recommendation

- 1.2.30.4 Management should provide substantive justification for contractors not erecting signboards for roads construction projects comprehensively catalogued in Annexure 16 below.
- 1.2.30.5 Management should ensure that signboards for all projects are prepared, distributed and subsequently posted in the selected areas as required.
- 1.2.30.6 Management should ensure that signboards are erected immediately at the beginning and end of the road construction project. These signboards should incorporate project information (such as the project name, contractor, costs, and projected completion date), safety alerts (for example, speed limits and diversion information), contact information for inquiries and/or emergencies. These controls will enhance public safety, regulatory compliance, and effective communication with road users. Management should ensure immediate corrective action be taken to address this issue.

#### Management's Response

- 1.2.30.7 *Management acknowledges the auditor's recommendations and will strive to ensure that all NRF financed projects have project signboards erected at the appropriate locations. Erection of project signboards (which highlights NRF as the financier) on all NRF financed projects is a major requirement for financing. However, few projects might not have project signboards due to one or more of the following reasons: the signboard might have gotten damage from rust or other factors due to its long exposure to the extreme weather and other environmental forces; the signboard(s) might have been vandalized or stolen by a community dweller; and provision and erection of signboard by the contractor might not have been included in the*



contract. Attached are pictures of project signboards erected on the sites of some NRF financed projects. **(See exhibit 1.2.39)**

### Auditor General's Position

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

### 1.2.31 Continuation of Contracts Beyond Expiration Dates

#### Criteria

1.2.31.1 Section 41 (1) (a) to (c) of the Amended and Restated Public Procurement and Concessions (PPC) Act of 2010 states that "The Procuring Entity shall be responsible for the administration and monitoring of contracts entered into by the Entity. The contract administration functions shall include at least the following:

- Ensuring that the contractor complies with the specifications and terms of the contract;
- Ensuring that the contract is being performed on schedule; c) Ensuring that, payments made to the contractors are in accordance with the terms of the contract."

1.2.31.2 Regulation 36 of the PPC Act of 2010 requires that "Award of Procurement Contract (Section 65 of the Act) In the event the context of any procurement requires application of section 65(3) of the Act, the Procuring Entity may proceed to sign the contract after the expiration of the 14 days provided for in section 65(3) unless prior to the expiration of the 14 days the Commission had indicated to the Procuring Entity that the Entity should not proceed to sign the contract."

1.2.31.3 Section 135 of the Amended and Restated PPC Act of 2010 requires that "(1) Except in cases of extreme urgency, where there will be an aggregate increase in the original amount of any existing contract by more than ten (10) percent of the original contract price, a Procuring Entity shall request the appropriate approving authority for variation, extension or modification of contract as may be required."

#### Observation

1.2.31.4 During the audit, we observed that several contracts, which have already reached their expiration dates, are still recorded in the company's financial and project management records as ongoing projects. Despite the fact that these contracts have legally ended, they continue to be accounted for as active, leading to potential misrepresentation of the company's project portfolio. Further, we observed no evidence of extension of the contracts. **See below Table 28 and Annexure 17 for details.**

**Table 28: Continuation of Contracts Beyond Expiration Dates**

Fiscal Year	Description	Contract Value US\$	Disbursed Amount US\$	Unapproved Time Extension (Months)
FY2020/2021	Expiration of Contracts		14,851,359.88	306



Fiscal Year	Description	Contract Value US\$	Disbursed Amount US\$	Unapproved Time Extension (Months)
	Recorded as Ongoing Projects	29,867,068.65		
SBY2022	Expiration of Contracts Recorded as Ongoing Projects	3,121,575.37	1,965,736.72	132
FY2021	Expiration of Contracts Recorded as Ongoing Projects	20,130,198.81	13,400,009.65	478
<b>Grand Total</b>		<b>53,118,842.83</b>	<b>30,217,106.25</b>	<b>916</b>

### Risk

- 1.2.31.5 Management may be non-compliant with the required procurement method. Management may override the procurement process by completing disbursement without utilizing the required procurement method.
- 1.2.31.6 Payments may be made for goods and services not delivered or the specification of goods and services per the approved contracts may not be delivered/received. This may impair the achievement of value for money.
- 1.2.31.7 In the instance of breach of terms of contracts, documentation to facilitate litigation may not be available. This may lead to financial and/or reputational losses.
- 1.2.31.8 Payments may not be consistent with the approved terms and conditions. This may lead to dispute, breach of contract, litigation, financial losses and/or reputational damages.

### Recommendation

- 1.2.31.9 Management should provide substantive justification for continuation of contracts beyond expiration dates.
- 1.2.31.10 Management should assess the current status of the work performed, the contractors' capacity to complete the construction of the road projects and regularize the existing contracts where applicable. The status of the requested reviews should be submitted to the Office of the Auditor General for subsequent validation.
- 1.2.31.11 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 ensure that the Site Supervisor submits a completion certificate upon completion of deliverables and validate the deliverables before further payments are made to Contractors.



- 1.2.31.12 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. All project activities should be immediately discontinued as at the date of expiration of the contracts until renewal of contracts are approved by the relevant authorities.

#### **Management Response**

- 1.2.31.13 *Management acknowledges the auditor's recommendations. As a financing institution, the NRF keeps up-to-date records on all contracts it funds. This is done by maintaining a contracts database, which ensures that nothing more than the exact contract value is paid for every contract sent to the NRF. Completed and terminated contracts are removed from the NRF contract database. The NRF contracts database comprises of ongoing contracts. Some of the ongoing contracts are expired and some are current.*

- 1.2.31.14 *The NRF does not finance expired contracts, but maintains records of these contracts to keep track on the total amounts that have been paid against the values of said contracts and the outstanding balances due. When payment requests are received by the NRF for contracts that are expired, they are returned with a formal communication informing the implementing partner (usually the MPW) that the prerequisite for payment of said request is the amendment of the date of the contract. Based on past experiences, the implementing partners usually amend the contract of interest to change the date and resubmit said request to the NRF. Removing expired contracts from the NRF contract database will cause the NRF to lose track on how much have been against the values of these contracts and the balance due.*

- 1.2.31.15 *Attached are copies of some of the contracts that were revived (amended to adjust the contract date and duration). Contracting and management of all road work projects financed by the NRF are done by Ministry of Public Works, thus the NRF has limited interactions with the contractors and is restricted from engaging the contractors directly. (See exhibit 1.2.34)*

#### **Auditor General's Position**

- 1.2.31.16 Management did not provide substantive justification for continuation of contracts beyond expiration dates without evidence of amendment to the contracts. Management did not assess the current status of the work performed, the contractors' capacity to complete the construction of the road projects and regularize the expired contracts where applicable as requested. Management also did not provide evidence of query of payment requests for expired contracts as asserted in Management's response. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

### **1.2.32 Assigning Similar Contract Number to Multiple Projects**

#### **Criteria**

- 1.2.32.1 Section 37, of the Amended and Restated Public Procurement and Concessions (PPC) Act of

2010 states "The Procuring Entity shall promptly furnish the Commission notice of each contract awarded in which the price of the contract exceeds the applicable Thresholds establish by Regulations promulgated by the Commission indicating the reference number used in the bidding process, the contract price, the name and address of the successful bidder, a brief description of the goods, services or work procured and the procurement method utilized in awarding the contract. The Commission shall cause this information promptly to be Published."

### Observation

- 1.2.32.2 During the audit, we observed that the Ministry of Public Works awarded contracts funded by NRF and assigned the same contract number to multiple road construction projects. Further, we observed that addendums to contracts for a specific project in a location were being shifted from one county to another with the same contract number. **See below Table 29 for details.**

**Table 29: Assigning Similar Contract Number to Multiple Projects**

No	Project Name	Contract Number	Location	Contractor	Contract Value US\$
1	Construction of 7.25Km Urban Asphalt Road (Duazon Sand Beach Road-1.7km; Sophie Road-1.35km & Soul Clinic Road-4.2km)	MPW-W-0020-18/19. Lot # 2. Phase 1 MOU	Montserrado County	SSF Entrepreneur Inc.	4,773,483.26
2	Construction of 3.785Km Urban Asphalt Road (Peace Island Road-2.95Km; Weever Street-0.3 7Km & Bonjal Community Road-0.465Km).	MPW-W-0020-18/19. Lot # 2. Phase 2 MOU	Montserrado County	SSF Entrepreneur Inc.	1,953,512.35
3	Rehabilitation of the Madina - Robertsport Corridor 12.5Km Primary Asphalt Road	MPW-W-0020-18/19. Addendum Lot 2	Grand Cape Mount County	SSF Entrepreneur Inc.	7,751,823.64
4	Periodic Maintenance (overlying with asphalt) of Robertsports City Streets (0.739km Urban Asphalt Road)	MPW-W-0020-18/19 Addendum	Grand Cape Mount County	SSF Entrepreneur Inc.	1,376,439.16
5	Periodic Maintenance of 10,000 Sq.m (2Km) Urban Asphalt Roads (S.K.D Boulevard, Fiamah, Jallah Town, Airfield, Old Road and Neezoe)	MPW-W-0000-20/21 Lot 5	Montserrado County	BK Enterprise Inc.	641,330.00
6	Periodic Maintenance of Clay-Ashland to Brewerville Bridge (55ft Reinforced Concrete Bridge)	MPW-W-0000-20/21 Lot # 1	Montserrado County	Future Builders & Investment Company	269,108.82
7	Construction of 5.2km Urban Concrete Roads (Banjor Community-2.5KM, and Nicklee	MPW-W-0018-18/19. Lot # 3. Phase 1	Montserrado County	Solid Rock / Cement & Steel	4,760,662.50



No	Project Name	Contract Number	Location	Contractor	Contract Value US\$
	Town-2.7KM Roads).	MOU		Partnership	
8	Construction of 6.1Km Secondary Asphalt Road (Dry Rice Market to Johnsonville Road.)	MPW-W-0018-18/19.	Montserrado County	China Chongging International	9,665,508.50
9	Rehabilitation of 13km Laterite Feeder Roads from King Farm to Zeawho Town.	MPW-W-0026-19/20, Lot 2	Margibi County	MOABEL Inc.	455,266.80
10	Pavement of 2.5Km Urban Chip Seal Road in some streets in Barclayville City.	MPW-W-0026-19/20. Lot # 2	Grand Kru County	SSF Entrepreneur	923,259.63
11	Construction of 2,568 sq m Stone Pitching along 2.5km chip seal road in Barclayville.	MPW-W-0026-19/20. Lot # 2 Amendment	Grand Kru County	SSF Entrepreneur	92,325.50
	<b>Total</b>				<b>32,662,720.16</b>

### Risk

- 1.2.32.3 Multiple contracts with the same contract numbers may facilitate duplication of payments and impair effective reconciliation and review.

### Recommendation

- 1.2.32.4 Management should ensure that all contracts are uniquely coded to facilitate effective review, reconciliation, monitoring and evaluation of projects deliverables and payments.

### Management's Response

- 1.2.32.5 *The Ministry highly notes this genuine observation. It was a professional oversight during the drafting of the contracts under consideration. However, for Contract Number: MPW-W-0020- 18/19 relating to SSF Entrepreneur Inc., all of the projects under the said contract number were birthed from the original contract with the contract number; and the Ministry and the contractor agreed to do some shifting from one location to another. Nevertheless, we assure the GAC that, going forward, all contracts will be uniquely coded to facilitate effective review, reconciliation, monitoring and evaluation of projects deliverables and payments.*

### Auditor General's Position

- 1.2.32.6 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 Field Inspection Issues

### 1.3.1 Uncompleted Road Project (Johnson Street Bridge to St. Paul Bridge Road Corridor)

#### Criteria

- 1.3.1.1 Item 7 under the Preambles of the Approved Annual Road Maintenance and Expenditure



Program of NRF 2020/2021, requires the contractor (JLN International) "Asphalt overlay, asphalt patching, drainage maintenance, culvert installation and minor concrete works of Urban Paved Roads as Lot #4-Johnson Street Bridge to St. Paul Bridge-9km."

### Observation

- 1.3.1.2 During the audit, we observed that Management paid JLN International the full contract amount of US\$1,801,342.53 for the aforementioned Periodic Maintenance work. During the field inspection, we observed that the contractor exhibited signs of abandonment of the project. Work was halted intermittently and without adequate justification, resulting in significant delays and incomplete tasks. We observed that the contractor demonstrated insufficient expertise in several critical sections required for the successful completion of the project. Specifically, the application of asphalt overlay was inconsistent, with visible defects such as uneven surfaces and inadequate compaction; asphalt patching work was substandard, with noticeable potholes and uneven patches that may lead to future maintenance issues and compromised road safety.
- 1.3.1.3 Further, we observed that the contractor failed to implement effective drainage solutions, leading to improper water runoff and potential erosion problems that may damage both the infrastructure and the surrounding environment.
- 1.3.1.4 There were significant deficiencies in culvert construction, including poor alignment and inadequate installation that may impact water flow and structural integrity and concrete work exhibited quality issues such as improper curing, surface cracks, and alignment problems, which may affect the longevity and functionality of the concrete structures. **See below photo 1 for details.**



**Photo 1: Contractor Abandonment of Urban Paved Road Project (Johnson Street Bridge to St. Paul Bridge Road corridor - GAC Picture1: showing incomplete asphalt overlay on the carriageway from Johnson Street to St. Paul Bridge**

### Risk

- 1.3.1.5 Untimely achievement of project deliverable may lead to additional expenditure (fixed costs) of the project.

- 1.3.1.6 Project objectives may not be achieved in the absence of effective project implementation and coordination.
- 1.3.1.7 The absence of effective monitoring and evaluation during the project may impair the achievement of value for money and the implementation of project deliverables.
- 1.3.1.8 Unresolved road defects may lead to safety hazard.

**Recommendation**

- 1.3.1.9 Management should assess the current status of the work performed, the contractor's capacity to complete the construction of the roads and update the Office of the Auditor General as part of Management's response to this Management Letter.
- 1.3.1.10 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 also include measures to repair existing roads defects identified during our physical verification. The work plan should be discussed and agreed with the contractors and included as supplementary documentation to the approved contracts. Management should ensure that the Site Supervisor submits a completion certificate upon completion of deliverables and validate the deliverables before further payments are made to Contractors.
- 1.3.1.11 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.

**Management's Response**

- 1.3.1.12 *Management acknowledges the auditor's recommendations, however the MPW classified said project as completed because the interventions requested by the contract were completed. The NRF has now put measures into place to ensure that all NRF-financed projects are of acceptable quality and standards.*

**Auditor General's Position**

- 1.3.1.13 Management's assertions did not adequately address the issues raised. Management did not assess the current status of the work performed, the contractor's capacity to complete the construction of the roads and update the Office of the Auditor General as part of Management's response to this Management Letter as requested. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.
- 1.3.1.14 Further, Management should ensure that subsequent payment for the next phase of the project is not initiated until successful completion of the initial phase of the project evidenced by approved monitoring and evaluation report and job completion certificate. Subsequently, the Managements of NRF and MPW should ensure that all delinquent contractors are debarred from being awarded subsequent contracts.

### 1.3.2 Non-Application of Chip Seals Pavement in Bopolu City

#### Criteria

- 1.3.2.1 Section 1.27 and 12.24 of the Ministry of Public Works Standard Specification for Roads 2011, states that "Seal-The application of one or more layers of bituminous binder with or without layers of crushed stone or sand in successive layers on the carriageway, shoulders or on any other compacted layer on which movement of traffic takes place; Single Seals-this section covers the supplying and furnishing of all materials for the repair of existing surfaces and for the construction of new single seal. Note: Seals materials and general requirements shall apply to this section."
- 1.3.2.2 Additionally, Section 12.28 & 12.29 of the Ministry of Public Works Standard Specification for Roads 2011, states that "Double Seals- this Section covers the supplying and furnishing of materials for the construction of a bituminous double seal. The seal shall be constructed using either 19.0mm aggregate of 13.2mm plus 6.7mm aggregate, whichever is shown in the Schedule of Quantities. Note: Seals materials and general requirements shall apply to this section."

#### Observation

- 1.3.2.3 During our physical verification of projects, we observed that Management paid YSM Incorporated a total of US\$559,947.95 for the construction of 2.9 kilometers of urban chip-seal pavement on selected streets in Bopolu City, Gbapolu County. We further observed no evidence that the contractor facilitated the Chip-Seal pavement as required. Additionally, we observed that one of the reinforced concrete pipes (RCP) 900mm in the city center was damaged. **See below Table 30 and Photo 2 for details:**

**Table 30: Non-Application of Chip Seals Pavement in Bopolu City**

Contractor	Contract Location	Contract End Date	Contract Value US\$	Actual Amount Paid
YSM Incorporated	Pavement of some streets in Bopolu city.2.9 KM of chip seal urban pavement in Bopolu, Gbarpolu County	14/11/2021	900,000.00	559,947.95
<b>Total</b>			<b>900,000.00</b>	<b>559,947.95</b>

**Photo 2: Non-Application of Chip Seals Pavement**



**GAC Picture 2 showing Non-Application of Chip Seals Pavement in Bopolu City**

**Risk**

- 1.3.2.4 The non-application of Chip seal pavement on the carriageway in the City of Bopolu may increase dust pollution, and create deep ruts or potholes. This may impair Safety hazard and the achievement of the NRF objectives.

**Recommendations**

- 1.3.2.5 Management should provide substantive justification for not facilitating the implementation of the Chip-Seals pavements as required by the terms and conditions of the contract.
- 1.3.2.6 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 ensure that the Site Supervisor submits a completion certificate upon completion of deliverables and validate the deliverables before further payments are made to Contractors.
- 1.3.2.7 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.

**Management's Response**

- 1.3.2.8 *The Ministry notes the queries raised. However, owing to poor performance of the contractor, the Ministry terminated the contract of YSM because of failure to commence chip sealing works. The Ministry has since forwarded the contractor to the Ministry of Justice for prosecution.*

**Auditor General's Position**

- 1.3.2.9 We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.
- 1.3.2.10 Further, Management should ensure that subsequent payment for the next phase of the project is not initiated until successful completion of the initial phase of the project evidenced by approved monitoring and evaluation report and job completion certificate. Subsequently, the Managements of NRF and MPW should ensure that all delinquent contractors are debarred from being awarded subsequent contracts.

**1.3.3 Unapproved Change in Project Scope- Jennemaneh Bridge (Bailey Bridge)**

**Criteria**

- 1.3.3.1 Section IV, of the Contract Agreement between the Ministry of Public Works (MPW) and Masmell Engineering Construction Company, November 5, 2021 requires that "The contractor shall perform the works, and make available all of the materials and equipment required under this contract, which are to be consistent with the plans and specifications for the construction of the Jennemaneh Bridge in Gbarpolu and Grand Cape Mount Counties."



- 1.3.3.2 Further, Items 1-10, of the Bill of Quantities (BOQs) for the Contract between the MPW and Masmell Engineering Construction Company requires the contractor to "Supply and install a Bailey Bridge (Steel Trusses) over the Weagbeh River to Jennemaneh Township at the contract value of US\$32,500.10."

**Observation**

- 1.3.3.3 During our physical verification of road projects, we observed that Management paid US\$16,250.05, or 50% of the contract value of US\$32,500.10 to Masmell Engineering Construction Company for the project. However, we observed no evidence of a Bailey Bridge (Steel Trusses) being supplied and installed over the Weagbeh River to Jennemaneh Township as required. Instead, we observed a dilapidated log/timber bridge over the river. **See below photo 2 for details:**

**Photo 2: Unapproved Changes in Project Scope- Jennemaneh Bridge (Bailey Bridge)**



**GAC Picture 2 showing a log/timber bridge over the Weagbeh River to Jennemaneh Township**

**Risk**

- 1.3.3.4 Services paid for may not be performed or performed up to approved specifications.
- 1.3.3.5 Construction of log/timber bridge instead of Bailey Bridge may impair stakeholders' mobility, durability of the project and facilitate misappropriation of project funds. This may also lead to breach of contract terms and conditions.

**Recommendation**

- 1.3.3.6 Management should provide substantive justification for construction of log/timber bridge instead of Bailey Bridge consistent with the terms and conditions of the contract.
- 1.3.3.7 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 ensure that the Site Supervisor submits a completion certificate upon completion of deliverables and validate the deliverables before further payments are made to Contractors.



- 1.3.3.8 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.
- 1.3.3.9 Evidence of periodic monitoring and evaluation reports should be adequately documented and filed to facilitate future review.

#### **Management's Response**

- 1.3.3.10 *The Ministry notes the queries raised. However, the actual scope of the contract was for the contractor to install the Bailey bridge parts provided by the Ministry. Nevertheless, the Ministry fell short of providing the full Bailey bridge parts require to the contractor as there were other urgent interventions needed to be made at other locations that changed the plan at Jennemaneh; and the launching of Bailey bridges requires launching the full parts instead of it been done partially. Nonetheless, the Ministry and the contractor are still committed to have the Bailey bridge fully launch at Jennemaneh.*

#### **Auditor General's Position**

- 1.3.3.11 We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.
- 1.3.3.12 Further, Management should ensure that subsequent payment for the next phase of the project is not initiated until successful completion of the bailey bridge evidenced by approved monitoring and evaluation report and job completion certificate. Subsequently, the Managements of NRF and MPW should ensure that all delinquent contractors are debarred from being awarded subsequent contracts.

### **1.3.4 Lack of Routine Maintenance of Primary Paved Road) (St. Paul Bridge to Bo-Waterside Road 2022**

#### **Criteria**

- 1.3.4.1 According to Section 8.10 of the MPW's Standard Specification for Asphalt Roads 2011, the contractor is required to cover all works in connection with the excavation and construction of open drains, subsoil drainage and banks dykes at the locations and to the sizes, shapes, grades and dimensions as shown on the Drawings or as directed by engineer, and the test flushing of the subsoil drains. The contractor is also required to cover the cleaning of open drains and the repairing of subsoil drainage. In special circumstances this work may be executed outside the road reserve. It also covers the clearing of existing culverts, backfilling of prefabricated culverts, including amongst other the removal of all undesirable materials that have accumulated in and around inlet and outlet structures in the barrel of the culverts."
- 1.3.4.2 Item 36 of the Revised NRF Annual Road Maintenance Expenditure Program (ARMEP), March 2021, requires that "carriageway cleaning, desilting of drainage, road side brushing, maintain day to day serviceability, potholes patching, including light grading, spot repairs, etc."

- 1.3.4.3 Further, Regulation C. 8 (2) of the PFM Act of 2009 as amended and restated 2019 stipulates that "the head of agency or spending unit shall have overall responsibility and accountability for the collection and receipt of all subsidies or the financial administration of the monies voted by Legislature for, or applied by statute to, the services under the control of his or her ministry or agency."

**Observation**

- 1.3.4.4 During our physical verification of the routine road maintenance works for the primary paved road covering St. Paul Bridge to Bo-Waterside Road, we observed a significant lack of routine maintenance. We also observed in several critical sections that the road surface exhibits numerous cracks and potholes, which have worsened over time due to the lack of regular upkeeps. Drainage systems along the corridor are frequently clogged with debris, causing water to pool on the road surface and accelerate deterioration. There were noticeable erosions along the road shoulders, likely due to inadequate drainage and runoff management. **See below photo 3 for details.**

**Photo 3: Lack of Routine Maintenance of Primary Paved Road) (St. Paul Bridge to Bo-Waterside Road**



**GAC Picture 3 showing potholes and damaged asphalt on the carriageway from St. Paul to Bo-Waterside Road Corridor**



**Risk**

- 1.3.4.5 The absence of effective monitoring, evaluation and routine maintenance of road project may impair the achievement of value for money and the implementation of project deliverables.
- 1.3.4.6 Unresolved road defects may lead to safety hazard.

**Recommendation**

- 1.3.4.7 Management should provide substantive justification for not facilitating routine maintenance activities for road projects which resulted into significant road defects.
- 1.3.4.8 Going forward, Management should develop, approve and operationalize a work plan to facilitate the smooth implementation of road maintenance services 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 ensure that the Site Supervisor submits a completion certificate upon completion of deliverables and validate the deliverables before further payments are made to Contractors.
- 1.3.4.9 Management should facilitate periodic monitoring and evaluation of road maintenance activities to ensure that services paid for are performed in a timely manner consistent with approved work plans and contracts.
- 1.3.4.10 Evidence of periodic monitoring and evaluation reports should be adequately documented and filed to facilitate future review.

**Management's Response**

- 1.3.4.11 *Management acknowledges the auditor's recommendations; however, all of the contract value of the abovementioned projects have not yet been paid. The NRF will ensure that the work is fully completed up to acceptable standards and good quality before the rest of the payment can be made. The NRF has already began engaging the MPW regarding the resumption of the works.*

**Auditor General's Position**

- 1.3.4.12 We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.
- 1.3.4.13 Further, Management should ensure that subsequent payment for the next phase of the project is not initiated until successful completion of the initial phase of the project evidenced by approved monitoring and evaluation report and job completion certificate. Subsequently, the Managements of NRF and MPW should ensure that all delinquent contractors are debarred from being awarded subsequent contracts.



### **1.3.5 Lack of Routine Maintenance of Primary Paved Road (Klay to Tubmanburg 22Km)**

#### **Criteria**

- 1.3.5.1 According to Section 8.10 of the MPW's Standard Specification for Asphalt Roads 2011, the contractor is required to cover all works in connection with the excavation and construction of open drains, subsoil drainage and banks dykes at the locations and to the sizes, shapes, grades and dimensions as shown on the Drawings or as directed by engineer, and the test flushing of the subsoil drains. The contractor is also required to cover the cleaning of open drains and the repairing of subsoil drainage. In special circumstances this work may be executed outside the road reserve. It also covers the clearing of existing culverts, backfilling of prefabricated culverts, including amongst other the removal of all undesirable materials that have accumulated in and around inlet and outlet structures in the barrel of the culverts."
- 1.3.5.2 Item 36 of the Revised NRF Annual Road Maintenance Expenditure Program (ARMEP), March 2021, requires that "carriageway cleaning, desilting of drainage, road side brushing, maintain day to day serviceability, potholes patching, including light grading, spot repairs, etc."
- 1.3.5.3 Further, Regulation C. 8 (2) of the PFM Act of 2009 as amended and restated 2019 stipulates that "the head of agency or spending unit shall have overall responsibility and accountability for the collection and receipt of all subsidies or the financial administration of the monies voted by Legislature for, or applied by statute to, the services under the control of his or her ministry or agency."

#### **Observation**

- 1.3.5.4 During our physical verification of the routine road maintenance works for the primary paved road covering Klay to Tubmanburg 22km road corridor, we observed a significant lack of routine maintenance. We also observed in several critical sections that the road surface exhibits numerous cracks and potholes, which have worsened over time due to the lack of regular upkeeps. Drainage systems along the corridor are frequently clogged with debris, causing water to pool on the road surface and accelerate deterioration. There were noticeable erosions along the road shoulders, likely due to inadequate drainage and runoff management.
- 1.3.5.5 Additionally, we observed that the road surface shows extensive alligator cracking, which covers a large portion of the pavement, an indication of structural failure or inadequate support beneath the surface. The cracks are deep and have been present for an extended period, suggesting that they have not been addressed in a timely manner. **See below photo 4 for details:**



**Photo 4: Lack of Routine Maintenance of Primary Paved Road (Klay to Tubmanburg 22Km)**



**GAC Picture 4 showing alligator cracking and potholes along the Klay to Tubmanburg Road corridor in Bomi County**

**Risk**

- 1.3.5.6 The absence of effective monitoring, evaluation and routine maintenance of road project may impair the achievement of value for money and the implementation of project deliverables.
- 1.3.5.7 Unresolved road defects may lead to safety hazard.

**Recommendation**

- 1.3.5.8 Management should provide substantive justification for not facilitating routine maintenance activities for road projects which resulted into significant road defects.
- 1.3.5.9 Going forward, Management should develop, approve and operationalize a work plan to facilitate the smooth implementation of road maintenance services 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 ensure that the Site Supervisor submits a completion certificate upon completion of deliverables and validate the deliverables before further payments are made to Contractors.



- 1.3.5.10 Management should facilitate periodic monitoring and evaluation of road maintenance activities to ensure that services paid for are performed in a timely manner consistent with approved work plans and contracts.
- 1.3.5.11 Evidence of periodic monitoring and evaluation reports should be adequately documented and filed to facilitate future review.

**Management's Response**

- 1.3.5.12 *Management acknowledges the auditor's recommendations; however, all of the contract value of the above-mentioned projects have not yet been paid. The NRF will ensure that the work is fully completed up to acceptable standards and good quality before the rest of the payment can be made. The NRF has already began engaging the MPW regarding the resumption of the works.*

**Auditor General's Position**

- 1.3.5.13 We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.
- 1.3.5.14 Further, Management should ensure that subsequent payment for the next phase of the project is not initiated until successful completion of the initial phase of the project evidenced by approved monitoring and evaluation report and job completion certificate. Subsequently, the Managements of NRF and MPW should ensure that all delinquent contractors are debarred from being awarded subsequent contracts.

**1.3.6 Non-Application of Primary Asphalt Pavement covering Madina Junction to Robertsport City 12.5km**

**Criteria**

- 1.3.6.1 Section 1.27 and 12.24 of the Ministry of Public Works Standard Specification for Asphalt Roads 2011, states that "Seal/Asphalt-The application of one or more layers of bituminous binder with or without layers of crushed stone or sand in successive layers on the carriageway, shoulders or on any other compacted layer on which movement of traffic takes place; Asphalt -this section covers the supplying and furnishing of all materials for the repair of existing surfaces and for the construction of new pavement. Note: Asphaltic materials and general requirements shall apply to this section."
- 1.3.6.2 According to the BOQ under "Drainage" of the MPW Standard Specification of Asphalt Roads 2011, requires the contractor "Demolish and removal of existing Corrugated Metal Pipe (CMP)/Log bridge etc., all complete. Supply and compact stone mix with sand for bedding, foundation and aprons; supply, install and seal of RCC Culvert Pipes of diameter 600mm, 900mm, 1200mm and 1500mm, and back filling and compaction around the culvert pipes with selected material."
- 1.3.6.3 Section 407, (b) of the MPW Technical Specification for Asphalt Roads 2011, requires that, "This section covers the construction of concrete channels, open concrete chutes, and line



drains at the locations and to the details as shown on the Drawings or as directed by the Engineer. The line drains shall be rectangular or trapezoidal in shape as shown on the drawings. Concreted rectangular line drains shall be constructed in urban areas with reinforced concrete slabs placed at the top to serve as sections of sidewalks as shown on the Drawings. The trapezoidal drains shall be constructed in Towns.”

- 1.3.6.4 Furthermore, Section 3.5 MPW Standard Specification of Asphalt Roads 2011, requires in computing the final contract amount, payment shall be based on the actual quantity of authorized work done in accordance with the specification and drawing. The tendered rates shall apply, subject to the provisions of the general conditions of contract, irrespective of whether the actual quantities are more or less than the scheduled quantities. Where no rate or price has been entered against a pay item in the scheduled of quantities by a tenderer, it shall be understood that he does not require and compensation for such work. Where, however, a pay item describes in these specifications or in the project specification does not appears in the schedule of quantities, the contractor will receive reasonable compensation for such work if required, unless anything to the contrary has been determined elsewhere.

**Observation**

- 1.3.6.5 During the audit, we observed that Management paid SSF Entrepreneur Inc. a total of US\$2,325,547.09 or 30% of the contract value of US\$7,751,823.63 for the general rehabilitation works of 12.5 kilometers of primary asphalt pavement covering from Madina to Robertsport Road corridor in Grand Cape Mount County.
- 1.3.6.6 Additionally, we observed no evidence of asphalt pavement on Madina to Robertsport road Corridor by the contractor in compliance with MPW standard specification, AASHTO, and ASTM standards as adopted by the Ministry of Public Works. We observed improper backfilling and compaction of culverts along the road corridor by the contractor not complying with the Technical Specification, Design and Drawing Reports as required.
- 1.3.6.7 Further, we observed that several sections along the road corridor with damaged headwall, and wingwalls of reinforced concrete pipes (RCP) 900mm not in compliance with specification, AASHTO, and ASTM standards as adopted by the Ministry of Public Works. **See below photo 5 for details:**

**Photo Non-Application of Primary Asphalt Pavement covering Madina Junction to Robertsport City 12.5km**



***GAC Picture 5 showing unpaved asphalt road and improper compaction of curbs along the Madina Junction to Robertsport***

**Risk**

- 1.3.6.8 The absence of effective monitoring, evaluation and rehabilitation of road project may impair the achievement of value for money and the implementation of project deliverables.
- 1.3.6.9 Unresolved road defects may lead to safety hazard.

**Recommendation**

- 1.3.6.10 Management should provide substantive justification for not facilitating rehabilitation of road works which resulted into significant road defects.
- 1.3.6.11 Going forward, Management should develop, approve and operationalize a work plan to facilitate the smooth implementation of road rehabilitation services 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 ensure that the Site Supervisor submits a completion certificate upon completion of deliverables and validate the deliverables before further payments are made to Contractors.
- 1.3.6.12 Management should facilitate periodic monitoring and evaluation of road rehabilitation to ensure that services paid for are performed in a timely manner consistent with approved work plans and contracts.
- 1.3.6.13 Evidence of periodic monitoring and evaluation reports should be adequately documented and filed to facilitate future review.

**Management's Response**

- 1.3.6.14 *The Ministry notes the queries raised. However, the works are currently still ongoing and we will ensure that the defects identified will be rectified.*

### **Auditor General's Position**

- 1.3.6.15 We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.
- 1.3.6.16 Further, Management should ensure that subsequent payment for the next phase of the project is not initiated until successful completion of the initial phase of the project evidenced by approved monitoring and evaluation report and job completion certificate. Subsequently, the Managements of NRF and MPW should ensure that all delinquent contractors are debarred from being awarded subsequent contracts.

### **1.3.7 Construction of Buchanan Fair Ground 1.5 km Road**

#### **Criteria**

- 1.3.7.1 Section 407, (b) of the MPW Technical Specification for Asphalt Roads requires that, "This section covers the construction of concrete channels, open concrete chutes, and line drains at the locations and to the details as shown on the Drawings or as directed by the Engineer. The line drains shall be rectangular or trapezoidal in shape as shown on the drawings. Concreted rectangular line drains shall be constructed in urban areas with reinforced concrete slabs placed at the top to serve as sections of sidewalks as shown on the Drawings. The trapezoidal drains shall be constructed in Towns."
- 1.3.7.2 Further, the BOQ of the contract (Construction of Buchanan Fair Ground 1.5 km), item 4.07, requires that "Provision for the construction of concrete rectangular drain with concrete with 5ft concrete covers as walkway including all formations as directed by the engineer. Dimension: (0.8m depth X 0.75m width X 0.75 depth)".

#### **Observation**

- 1.3.7.3 During the audit, we observed that Management facilitated disbursement to the contractor (SIDANI Group Holding) amounting to US\$3,324,000.00, or 94% of the contract value of US\$3,536,170.00, for the construction of 4.4 kilometers of various roads, including the Buchanan Fair Ground (1.5 km). However, we observed that the Concrete Side Drains installed on both LHS and RHS sides of the road corridor remain the same since the last audit, without concrete slabs/covers in compliance with specification, AASHTO, and ASTM standards as adopted by the Ministry of Public Works. **See below photo 6 for details.**

#### **Photo 6: Incomplete Concrete Side Drains**





**GAC Photo 6 showing incomplete concrete side drains that yet to receive concrete slabs/covers on the carriage way of Buchanan Fair Ground**

### **Risk**

- 1.3.7.4 The absence of effective monitoring, evaluation and rehabilitation of road project may impair the achievement of value for money and the implementation of project deliverables.
- 1.3.7.5 Unresolved road defects may lead to safety hazard.

### **Recommendation**

- 1.3.7.6 Management should provide substantive justification for not facilitating timely rehabilitation of road works which resulted into significant road defects.
- 1.3.7.7 Management should assess the current status of the work performed, the contractor's capacity to complete the construction of the roads and update the Office of the Auditor General as part of Management's response to this Management Letter.
- 1.3.7.8 Going forward, Management should develop, approve and operationalize a work plan to facilitate the smooth implementation of road rehabilitation services 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 ensure that the Site Supervisor submits a completion certificate upon completion of deliverables and validate the deliverables before further payments are made to Contractors.
- 1.3.7.9 Management should facilitate periodic monitoring and evaluation of road rehabilitation to ensure that services paid for are performed in a timely manner consistent with approved work plans and contracts.
- 1.3.7.10 Evidence of periodic monitoring and evaluation reports should be adequately documented and filed to facilitate future review.



### **Management's Response**

- 1.3.7.11 *Management acknowledges the auditor's recommendations; however, all of the contract value of the above-mentioned projects have not yet been paid. The NRF will ensure that the work is fully completed up to acceptable standards and good quality before the rest of the payment can be made. The NRF has already began engaging the MPW regarding the resumption of the works.*

### **Auditor General's Position**

- 1.3.7.12 We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.
- 1.3.7.13 Further, Management should ensure that subsequent payment for the next phase of the project is not initiated until successful completion of the initial phase of the project evidenced by approved monitoring and evaluation report and job completion certificate. Subsequently, the Managements of NRF and MPW should ensure that all delinquent contractors are debarred from being awarded subsequent contracts.

### **1.3.8 Fair Ground Road Incomplete Concrete Sidewalks**

#### **Criteria**

- 1.3.8.1 Section 408, (a & b) of the MPW Technical Specification for Asphalt Roads, requires that, "Concrete Curbs-the plain curbs will be installed on high embankments along the edge of the paved shoulders to convey run-off water to chutes for erosion protection. Curb and gutter will be installed between pavement edge and sidewalk in cities. Curb dimensions are as shown on the Drawings. Sidewalks shall be constructed with Grade 25 concrete slabs and or masonry block pavers. The slabs shall be constructed on selected laterite bed compacted to 95% Modified Proctor density and the pavers shall be installed on sand bedding as described below."

#### **Observation**

- 1.3.8.2 During our physical verification, we observed that the left-hand side (LHS) Concrete Sidewalk on the corridor exiting from Buchanan and entering Fair Ground has remained incomplete since the previous audit. We also observed that the concrete curbs erected between the pavement edge and the walkway remained damaged in some places. **See below photo 7 for details.**

#### **Photo 7: Incomplete Concrete Sidewalks**



*Management Letter On the  
Financial Statements Audit of the National Road Fund (NRF)  
For the period July 1, 2020 to December 31, 2022*





***GAC Picture 7 showing incomplete concrete sidewalks and curbs on the carriage way of Buchanan Fair Ground***

**Risk**

- 1.3.8.3 The absence of effective monitoring, evaluation and rehabilitation of road project may impair the achievement of value for money and the implementation of project deliverables.
- 1.3.8.4 Unresolved road defects may lead to safety hazard.

**Recommendation**

- 1.3.8.5 Management should provide substantive justification for not facilitating timely rehabilitation of road works which resulted into significant road defects.
- 1.3.8.6 Management should assess the current status of the work performed, the contractor's capacity to complete the construction of the roads and update the Office of the Auditor General as part of Management's response to this Management Letter.
- 1.3.8.7 Going forward, Management should develop, approve and operationalize a work plan to facilitate the smooth implementation of road rehabilitation services 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 ensure that the Site Supervisor submits a completion certificate upon completion of deliverables and validate the deliverables before further payments are made to Contractors.
- 1.3.8.8 Management should facilitate periodic monitoring and evaluation of road rehabilitation to ensure that services paid for are performed in a timely manner consistent with approved work plans and contracts.
- 1.3.8.9 Evidence of periodic monitoring and evaluation reports should be adequately documented and filed to facilitate future review.

**Management's Response**

- 1.3.8.10 *The Ministry of Public Works notes the queries raised. We assure the GAC of following-up with the contractor to correct the defects identified.*



**Auditor General's Position**

- 1.3.8.11 We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.
  
- 1.3.8.12 Further, Management should ensure that subsequent payment for the next phase of the project is not initiated until successful completion of the initial phase of the project evidenced by approved monitoring and evaluation report and job completion certificate. Subsequently, the Managements of NRF and MPW should ensure that all delinquent contractors are debarred from being awarded subsequent contracts.

**1.3.9 Incomplete Bridge on Kolilia-Palila Road, Bong County**

**Criteria**

- 1.3.9.1 Section III, of the Contract Agreement between the Ministry of Public Works and New Millennium Engineering & Construction Company, November 5, 2021, for Periodic Maintenance of Secondary Laterite Road, Lot #2, Garyea-Gbanlata and Kolilia-Palila, Bong County requires that "The contractor shall perform the works, and make available all of the materials and equipment required under this contract, which are to be consistent with the plans and specifications."
  
- 1.3.9.2 Further, Section III (b) of the same contract requires that "The Bill of Quantities shall contain a detailed item listing and cost for all to be done by the contractor. It shall be used to pay for work completed by the contractor at the rates provided therein."

**Observation**

- 1.3.9.3 During our physical verification, we observed that Management facilitated disbursement to New Millennium Engineering & Construction Company amounting to US\$205,717.47, or 58% of the contract value of US\$354,685.29, for the construction of a bridge and periodic maintenance of the secondary laterite road. Further, we observed an incomplete and abandoned bridge along the Kolilia-Palila Road corridor.
  
- 1.3.9.4 Additionally, we observed that the contract was scheduled to be completed on March 13, 2022, but until our field visit on June 27, 2024, the bridge had not been completed after two (2) years and three (3) months from the initial completion date. **See below photo 8 for details.**



**Photo 8: Incomplete Bridge on Kolilia-Palila Road, Bong County**



**GAC Picture 8 Showing an Incomplete and Abandoned Bridge on Kolilia-Palila Road Corridor, Bong County**

**Risk**

- 1.3.9.5 The absence of effective monitoring, evaluation and rehabilitation of road project may impair the achievement of value for money and the implementation of project deliverables.
- 1.3.9.6 Unresolved road defects may lead to safety hazard.

**Recommendation**

- 1.3.9.7 Management should provide substantive justification for not facilitating timely rehabilitation of road works which resulted into significant road defects.
- 1.3.9.8 Management should assess the current status of the work performed, the contractor's capacity to complete the construction of the roads and update the Office of the Auditor General as part of Management's response to this Management Letter.
- 1.3.9.9 Going forward, Management should develop, approve and operationalize a work plan to facilitate the smooth implementation of road rehabilitation services 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 ensure that the Site Supervisor submits a completion certificate upon completion of deliverables and validate the deliverables before further payments are made to Contractors.
- 1.3.9.10 Management should facilitate periodic monitoring and evaluation of road rehabilitation to ensure that services paid for are performed in a timely manner consistent with approved work plans and contracts.
- 1.3.9.11 Evidence of periodic monitoring and evaluation reports should be adequately documented and filed to facilitate future review.



### **Management's Response**

1.3.9.12 *Management acknowledges the auditor's recommendations; however, all of the contract value of the abovementioned projects have not yet been paid. The NRF will ensure that the work is fully completed up to acceptable standards and good quality before the rest of the payment can be made. The NRF has already began engaging the MPW regarding the resumption of the works.*

### **Auditor General's Position**

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

1.3.9.14 Further, Management should ensure that subsequent payment for the next phase of the project is not initiated until successful completion of the initial phase of the project evidenced by approved monitoring and evaluation report and job completion certificate. Subsequently, the Managements of NRF and MPW should ensure that all delinquent contractors are debarred from being awarded subsequent contracts.

## **1.3.10 Delay in the Construction Projects of Zorgowee-Dulay Bridge, Nimba County**

### **Criteria**

1.3.10.1 Section 41 (1) (a) to (c) of the Amended and Restated Public Procurement and Concessions (PPC) Act of 2010 states that "The Procuring Entity shall be responsible for the administration and monitoring of contracts entered into by the Entity. The contract administration functions shall include at least the following: a) Ensuring that the contractor complies with the specifications and terms of the contract; b) Ensuring that the contract is being performed on schedule; c) Ensuring that, payments made to the contractors are in accordance with the terms of the contract."

### **Observation**

1.3.10.2 During our physical verification on June 22, 2024, we observed that Management facilitated disbursement to DAB Construction Company amounting to US\$65,763.15, or 20% of the contract value of US\$328,815.77 for the construction of Zorgowee-Dulay Bridge. We observed that the construction project was abandoned by the contractor. We also observed no evidence of employees as well as equipment on the construction site. Furthermore, the contract was scheduled to have been completed on March 15, 2024, but until our field visit, the bridge had not been completed after three (3) months of the initial completion date. **See below photo 9 for details.**



**Photo 9: Incomplete Bridge on Zorgowee-Dulay Road, Nimba County**



***GAC Picture 9 showing the incomplete and uncompacted Bridge on Zorgowee-Dulay Road***

**Risk**

- 1.3.10.3 The absence of effective monitoring, evaluation and rehabilitation of road project may impair the achievement of value for money and the implementation of project deliverables.
- 1.3.10.4 Unresolved road defects may lead to safety hazard.

**Recommendation**

- 1.3.10.5 Management should provide substantive justification for not facilitating timely rehabilitation of road works which resulted into significant road defects.
- 1.3.10.6 Management should assess the current status of the work performed, the contractor's capacity to complete the construction of the roads and update the Office of the Auditor General as part of Management's response to this Management Letter.
- 1.3.10.7 Going forward, Management should develop, approve and operationalize a work plan to facilitate the smooth implementation of road rehabilitation services 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 ensure that the Site Supervisor submits a completion certificate upon completion of deliverables and validate the deliverables before further payments are made to Contractors.
- 1.3.10.8 Management should facilitate periodic monitoring and evaluation of road rehabilitation to ensure that services paid for are performed in a timely manner consistent with approved work plans and contracts.
- 1.3.10.9 Evidence of periodic monitoring and evaluation reports should be adequately documented and filed to facilitate future review.



### **Management's Response**

1.3.10.10 *The Ministry of Public Works notes the queries raised. However, at the time of the GAC physical verification exercise in June 2024, works on the project has been suspended owing to lack of payment entitled to the contractor couple with the electioneering and presidential transitions processes that affected the pace of the work. Nevertheless, the contract was extended and the contractor has since completed the bridge works and backfilling of the road in August 2024; and the road is currently been used by road users.*

### **Auditor General's Position**

- 1.3.10.11 We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.
- 1.3.10.12 Further, Management should ensure that subsequent payment for the next phase of the project is not initiated until successful completion of the initial phase of the project evidenced by approved monitoring and evaluation report and job completion certificate. Subsequently, the Managements of NRF and MPW should ensure that all delinquent contractors are debarred from being awarded subsequent contracts.

### **1.3.11 Delay in Completion of Bridge Construction Project-Grand Bassa Community College Bridge**

#### **Criteria**

1.3.11.1 Section 41 (1) (a) to (c) of the Amended and Restated Public Procurement and Concessions (PPC) Act of 2010 states that "The Procuring Entity shall be responsible for the administration and monitoring of contracts entered into by the Entity. The contract administration functions shall include at least the following: a) Ensuring that the contractor complies with the specifications and terms of the contract; b) Ensuring that the contract is being performed on schedule; c) Ensuring that, payments made to the contractors are in accordance with the terms of the contract."

#### **Observation**

- 1.3.11.2 During our physical verification on June 19, 2024, we observed that Management facilitated disbursement to Jupiter Construction, Inc amounting US\$460,000.00, or 40% of the contract value US\$1,150,000.00, for the construction of the Grand Bassa University Bridge (Bailey Bridge) over the Benson River in Grand Bassa County. However, the project remains incomplete despite the planned completion date of March 2, 2024. We observed that several essential components remained unfinished as of the audit date, including the centerpiece (Pillar) or abutment, decking, approach slaps, and an uninstalled Bailey bridge.
- 1.3.11.3 Further, we observed that the construction of the bridge is behind schedule by 27 months. **See below photo 10 for details.**



**Photo 10: Incomplete Bridge of Grand Bassa Community College Bridge (Bailey bridge)**



***GAC Picture 10 showing the uninstalled Grand Bassa Community College Bridge (Bailey Bridge) over the Benson River in Grand Bassa County.***

**Risk**

- 1.3.11.4 The absence of effective monitoring, evaluation and rehabilitation of road project may impair the achievement of value for money and the implementation of project deliverables.
- 1.3.11.5 Unresolved road defects may lead to safety hazard.

**Recommendation**

- 1.3.11.6 Management should provide substantive justification for not facilitating timely rehabilitation of road works which resulted into significant road defects.
- 1.3.11.7 Management should assess the current status of the work performed, the contractor's capacity to complete the construction of the roads and update the Office of the Auditor General as part of Management's response to this Management Letter.
- 1.3.11.8 Going forward, Management should develop, approve and operationalize a work plan to facilitate the smooth implementation of road rehabilitation services 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 ensure that the Site Supervisor submits a completion certificate upon completion of deliverables and validate the deliverables before further payments are made to Contractors.
- 1.3.11.9 Management should facilitate periodic monitoring and evaluation of road rehabilitation to ensure that services paid for are performed in a timely manner consistent with approved work plans and contracts.

- 1.3.11.10 Evidence of periodic monitoring and evaluation reports should be adequately documented and filed to facilitate future review.

#### **Management Response**

- 1.3.11.11 *The Ministry notes the queries raised. However, the contractor suspended work on the site at the time the GAC visited the site. Nevertheless, works on the site have fully recommenced and the project is currently at 40% completed with the two (2) abutments fully constructed pending the launching of the bailey bridge and the construction of the approach road. Finally, the contract has been amended with the new completion date slated for November 2025.*

#### **Auditor General's Position**

- 1.3.11.12 We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.
- 1.3.11.13 Further, Management should ensure that subsequent payment for the next phase of the project is not initiated until successful completion of the initial phase of the project evidenced by approved monitoring and evaluation report and job completion certificate. Subsequently, the Managements of NRF and MPW should ensure that all delinquent contractors are debarred from being awarded subsequent contracts.

### **1.3.12 Incomplete Concrete Side Drains on Gbarnga Broad Street**

#### **Criteria**

- 1.3.12.1 Section 407, (b) of the MPW Technical Specification for Asphalt Roads requires that, "This section covers the construction of concrete channels, open concrete chutes, and line drains at the locations and to the details as shown on the Drawings or as directed by the Engineer. The line drains shall be rectangular or trapezoidal in shape as shown on the drawings. Concreted rectangular line drains shall be constructed in urban areas with reinforced concrete slabs placed at the top to serve as sections of sidewalks as shown on the Drawings. The trapezoidal drains shall be constructed in Towns."
- 1.3.12.2 Also, according to the BOQ of the contract (Gbarnga Broad Street 1.0 km), item 4.05, requires that "Provision for the construction of concrete rectangular drain with concrete covers C-20 as walkway including all formations as directed by the engineer. Dimension: (0.8m depth X 0.75m width X 0.75 depth)"

#### **Observation**

- 1.3.12.3 During our physical verification, we observed that Management facilitated disbursement to SIDANI Group Holding amounting to US\$3,324,000.00, or 94% of the contract value of US\$3,536,170.21 for the construction of several roads, including the 1.0 Km Gbarnga Broad Street. However, the project has remained unchanged since the previous audit.
- 1.3.12.4 Further, we observed that the Concrete Side Drains built on both sides of the Gbarnga Broad Street corridor have not yet received concrete slabs/covers in accordance with the BOQs, specifications, AASHTO, and ASTM standards set by the Ministry of Public Works. **See below photo 11 for details:**

**Photo 11: Incomplete Concrete Side Drains**



***GAC Picture 11 showing incomplete concrete side drains that are yet to receive concrete slabs/covers on the Gbarnga Broad Street.***

**Risk**

- 1.3.12.5 The absence of effective monitoring, evaluation and rehabilitation of road project may impair the achievement of value for money and the implementation of project deliverables.
- 1.3.12.6 Unresolved road defects may lead to safety hazard.

**Recommendation**

- 1.3.12.7 Management should provide substantive justification for not facilitating timely rehabilitation of road works which resulted into significant road defects.
- 1.3.12.8 Management should assess the current status of the work performed, the contractor's capacity to complete the construction of the roads and update the Office of the Auditor General as part of Management's response to this Management Letter.
- 1.3.12.9 Going forward, Management should develop, approve and operationalize a work plan to facilitate the smooth implementation of road rehabilitation services 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 ensure that the Site Supervisor submits a completion certificate upon completion of deliverables and validate the deliverables before further payments are made to Contractors.

- 1.3.12.10 Management should facilitate periodic monitoring and evaluation of road rehabilitation to ensure that services paid for are performed in a timely manner consistent with approved work plans and contracts.
- 1.3.12.11 Evidence of periodic monitoring and evaluation reports should be adequately documented and filed to facilitate future review.

#### **Management's Response**

- 1.3.12.12 *The Ministry of Public Works notes the queries raised. The last assessment done by the Ministry as per a December 2023 report puts the progress of the works at 75% completion rate; hence, the project has not been fully completed and the Ministry assures the GAC that, we will ensure that the contractor is remobilized on the site to fully complete the project. Nevertheless, we also note the recommendations proffer therein.*

#### **Auditor General's Position**

- 1.3.12.13 We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.
- 1.3.12.14 Further, Management should ensure that subsequent payment for the next phase of the project is not initiated until successful completion of the initial phase of the project evidenced by approved monitoring and evaluation report and job completion certificate. Subsequently, the Managements of NRF and MPW should ensure that all delinquent contractors are debarred from being awarded subsequent contracts.

## **1.4 Governance Issues**

### **1.4.1 Irregular IMSC Board Meetings**

#### **Criteria**

- 1.4.1.1 Regulation A.3 (1) of the PFM Act of 2009 as amended and restated 2019 states that, "Any public officer concerned with the conduct of financial matters of the Government of Liberia, or the receipt, custody and disbursement of public and trust moneys, or for the custody, care and use of government stores and inventories shall keep books of accounts and proper records of all transactions and shall produce the books of accounts and records of the transactions for inspection when called upon to do so by the Auditor-General, the Comptroller General, the relevant internal auditor or any officers authorized by them, by the Minister."
- 1.4.1.2 Section 3.4, 1(a-h) of the National Road Fund Act of 2016, requires that "Regular meetings: Regular meetings shall be held every 3 months or more frequently if business requires, as determined by the IMSC. All meetings shall be convened by the chairperson giving members at least fourteen days' notice, including minutes of previous meeting, the agenda and papers



relevant to the agenda items. The chairperson shall compile the agenda for each meeting from matters raised by the Inter-ministerial Steering Committee, or matters pertaining to the functions of the Fund and the road sector as may affect the objectives of the Road Fund. Meetings shall be presided over by the Chairperson or, in his or her absence, a Co-Chairperson elected by members in attendance at the meeting. Meetings shall require a quorum of four members. Decisions shall be decided by a majority vote of members present at a meeting. The IMSC may at any time co-opt any person or persons, in the form of committees, to act as an adviser at any of its meetings, but no person so co-opted shall be entitled to vote. The Chairperson shall cause a record of the proceedings of every meeting to be kept. Said record shall be circulated amongst members and other interested parties, as agreed by the IMSC, no later than fourteen days subsequent to said meeting.”

- 1.4.1.3 Further, Section 3.4, 2(a & b) of the National Road Fund Act of 2016, requires that “Extraordinary meetings. The chairperson may convene an extraordinary meeting of the IMSC when at least one-third of the members request of him or her in writing to do so. Extraordinary meetings shall be held within seven days of said request, and shall be convened at a time and venue to be determined by the chairperson.”

#### Observation

- 1.4.1.4 During the audit, we observed that the Inter-Ministerial Steering Committee (IMSC) did not facilitate the conduct of regular or quarterly board meetings as required by the NRF Act of 2016. We observed no evidence of IMSC meeting minutes for the second, third and fourth quarters of fiscal year 2020/2021 and 2022 to validate the oversight and review of Management functions. **See below Table 31 for details:**

**Table 31: Irregular IMSC Board Meetings**

Quarterly Meetings FY 2020/2021	Total Time (months)	Approved Time (Months)	Total Irregular Time (Months)
1st Quarter	July	July	
2nd Quarter	Not Available	October	3
3rd Quarter	February	January	0
4th Quarter	Not Available	April	3
<b>Total Time (Months)</b>			<b>6</b>
Quarterly Meetings FY- 2022	Total Time (months)	Approved Time (Months)	Total Irregular Time (Months)
1st Quarter	January	January	0
2nd Quarter	April	April	0
3rd Quarter	Not Available	July	3
4th Quarter	Not Available	October	3
<b>Total Time (Months)</b>			<b>6</b>

#### Risk

- 1.4.1.5 The strategic oversight over the function of Management may be impaired. This may impair the achievement of the institution’s objectives.



- 1.4.1.6 Management may override institutional policies and procedures that may adversely impact the operations of the entity.
- 1.4.1.7 Monitoring and evaluation of the mandate and strategic and operational objectives of the entity may be impaired. This may impair the achievement of approved deliverables of the entity.

**Recommendation**

- 1.4.1.8 Management should facilitate the conduct of periodic Board meetings as required. Board's meeting minutes should comprehensively detail activities discussed, actions to implement planned activities and approved timelines. Meetings' minutes should be subsequently documented and filed to facilitate future review.
- 1.4.1.9 The Board should also institute a platform for following-up on decision made at Board's meeting. An update of progress towards previous meeting agreed actions/deliverable should be discussed during current meetings, as a medium for tracking institutional progress and planning for future activities.
- 1.4.1.10 Evidence of board meeting minutes and periodic activities reports should be adequately documented and filed to facilitate future review.

**Management's Response**

- 1.4.1.11 *Management has acknowledged the auditors' recommendation. At the moment, management holds board meetings periodically as needed. The minutes of board meetings are now thoroughly written, including the activities that were discussed, the actions taken to carry out the planned activities, and the authorized timelines. The minutes of meetings are then recorded and stored for later review.*

**Auditor General's Position**

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

**1.4.2 Non-Approval of Financial Manual**

**Criteria**

- 1.4.2.1 Regulation I. A.5 (1) of the PFM Act of 2009 as amended and restated 2019 states "A head of government agency shall with the approval of the Minister issue an accounting manual to suit the operations and regulate the financial matters of the Government agency, indicating:
  - A. The duties to be performed by specified officers,
  - B. The accounts to be kept and returns to be submitted, and
  - C. Such other instructions as may be required for the proper conduct of the financial matters of the Government agency.



- 1.4.2.2 Furthermore, Regulation I. A.5 (1) of the PFM Act of 2009 requires the accounting manual shall contain relevant procedures for the keeping of accounts, preparation and format of financial statements, Government agency chart of accounts, and all administrative issues relating to the keeping and preparation of government accounts.”

**Observation**

- 1.4.2.3 During the audit, we observed no evidence of an approved accounting manual to guide the financial management and accounting processes and activities of the entity.

**Risk**

- 1.4.2.4 In the absence of approved financial manual, financial management and accounting transactions and processes may be performed on a discretionary basis which may be non-compliant with the PFM Act and Regulations.

**Recommendation**

- 1.4.2.5 Management should develop, approve and operationalize a comprehensive financial manual, outlining all accounting procedures, processes, systems and controls to be used by staff of the entity’s Finance Department. The manual should also catalog all processes over initiation, authorization and recording for each account balance. Management should facilitate timely and periodic update of approved financial manual to reflect the current operations of the Finance Department and amendments made to the PFM Act and Regulations.

- 1.4.2.6 Evidence of approved financial manual should be adequately documented and filed to facilitate future review.

**Management’s Response**

- 1.4.2.7 *The recommendations of the auditors are acknowledged by the NRF. Presently, management has created, authorized, and put into effect a thorough financial handbook that describes all accounting practices, methods, and controls that employees of the organization’s finance department utilize. For every account balance, the manual lists every step of the start, authorization, and recording process. Management makes it easier for the authorized financial manual to be updated on a regular basis to reflect changes made to the PFM Act and Regulations as well as the Finance Department’s current activities.*

**Auditor General’s Position**

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

**1.4.3 No Automated Financial Management System/Accounting Software**

**Criteria**

- 1.4.3.1 Regulation I. A.5 (1) of the PFM Act of 2009 as amended and restated 2019 states “A head of government agency shall with the approval of the Minister issue an accounting manual to suit the operations and regulate the financial matters of the Government agency, indicating:



- A. The duties to be performed by specified officers,
- B. The accounts to be kept and returns to be submitted, and
- C. Such other instructions as may be required for the proper conduct of the financial matters of the Government agency.

1.4.3.2 Furthermore, Regulation I. A.5 (1) of the PFM Act of 2009 as amended and restated 2019 requires the accounting manual shall contain relevant procedures for the keeping of accounts, preparation and format of financial statements, Government agency chart of accounts, and all administrative issues relating to the keeping and preparation of government accounts.”

**Observation**

1.4.3.3 During the audit, we observed no evidence of an automated financial management system or an accounting software to facilitate comprehensive, real-time and accurate recording of financial transactions.

**Risk**

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

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

1.4.3.6 Management may not account for all of its transactions.

**Recommendation**

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

1.4.3.8 An automated control should be established such that transactions (along with supporting documents) posted by a junior staff must be reviewed and approved by senior personnel before the transactions appear in the general ledger. Going forward, an automated linkage should be created between the general ledger, trial balance and the financial statements to facilitate completeness and accuracy of the financial statements.

1.4.3.9 Management should also facilitate the operationalization of the electronic document management system by ensuring all relevant source and supporting documents for transactions are scanned, attached to the transactions in the accounting software, archived and maintained to facilitate future review.

**Management’s Response**

1.4.3.10 *The recommendations and observations of the auditors is acknowledged by the NRF. To enable thorough, accurate, and real-time recording of all financial transactions of the organization, management has purchased and operationalized a functional accounting program (SAGE 300 ERP).*

**Auditor General’s Position**

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



#### **1.4.4 No Evidence of a Functional Budget Committee**

##### **Criteria**

- 1.4.4.1 Regulation D.16.1 of the PFM Act of 2009 as amended and restated 2019 states that "Every head of government agency shall establish a Budget Committee which shall be responsible for budget formulation, implementation, monitoring and evaluation made up of (a) the head of government agency, who shall be the chairperson; and (b) Heads of budget management centers or cost centers)".

##### **Observation**

- 1.4.4.2 During the audit, we observed no evidence of a functional budget committee.

##### **Risk**

- 1.4.4.3 In the absence of functional budget committee, effective monitoring and evaluation of revenue and expenditure may be impaired. This may lead to under receipt of budgeted revenue and / or over expenditure.
- 1.4.4.4 Periodic Budget Performance Reports may not be prepared adequately or in a timely manner.
- 1.4.4.5 Management may be non-compliant with Regulation D.16.1 of the PFM Act of 2009 as amended and restated 2019.

##### **Recommendation**

- 1.4.4.6 Management should facilitate the establishment of a functional Budget Committee, evidence by the documentation of attendance records, meeting minutes, and periodic activities reports. Evidence of attendance records, meeting minutes, and periodic activities reports should be adequately documented and filed to facilitate future review.

##### **Management's Response**

- 1.4.4.7 *The NRF has acknowledged the auditors' recommendation. Management has purchased and operationalized a functional accounting program (SAGE 300 ERP) to enable thorough, accurate, and real-time recording of all the organization's financial transactions.*

##### **Auditor General's Position**

- 1.4.4.8 Management's assertions did not adequately address the issues raised. The audit findings were related to a non-functional budget committee and not a non-functional accounting software as may have been inadvertently asserted by Management. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

#### **1.4.5 No Evidence of a Functional Budget Unit**

##### **Criteria**

- 1.4.5.1 Regulations A.1 of the PFM Act of 2009 as amended and restated 2019 states that "the public shall be provided with full access to all appropriate information concerning the financial affairs of the Government. This will include, but not limited to, information about the development of annual and supplementary budget estimates, the quarterly fiscal outturn reports issued by the Ministry, the monthly revenue and quarterly budget performance reports of ministries and agencies state owned enterprises their annual accounts and reports and the



Government's annual audited accounts."

**Observation**

- 1.4.5.2 During the audit, we observed no evidence that Management established a functional Budget Unit or employed a Budget Officer to record actual revenue collection and expenditure disbursement in a timely manner, for the period under audit.

**Risk**

- 1.4.5.3 In the absence of a Budget Officer/ Budget Unit, actual revenue and expenditure may not be recorded in a timely manner. This may impair budget monitoring and evaluation, which may lead to under receipt of budgeted revenue and / or over expenditure.

**Recommendation**

- 1.4.5.4 Management should facilitate the immediate establishment of a Budget Unit, competitively hire qualified and experienced budget officers/ accountants to manage the activities of the unit.
- 1.4.5.5 The Budget Unit upon establishment should facilitate real time recording of actual revenue and expenditure and prepare periodic (quarterly and annual) budget performance reports for onward submission to the relevant authorities as required. Evidence of periodic budget performance reports should be adequately documented and filed to facilitate future review.

**Management's Response**

- 1.4.5.6 *The NRF acknowledges the Auditors' recommendation. However, this function is embedded in the Finance department and is further enhanced by the Automated Financial Management System (Sage 300 ERP).*

**Auditor General's Position**

- 1.4.5.7 Management's assertions did not adequately address the issues raised. The audit findings were related to a non-functional budget unit/officer and not a non-functional accounting software as may have been inadvertently asserted by Management. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

**1.4.6 Monthly Individual Staff Salary Posted in Bulk Amounts to the General Ledger**

**Criteria**

- 1.4.6.1 IPSAS 39 requires that "Employee Benefits outlines the accounting and disclosure requirements for employee benefits, which include short-term employee benefits such as monthly salaries. The standard addresses the recognition, measurement, and disclosure of various types of employee benefits, ensuring that public sector entities provide transparent and consistent financial information."
- 1.4.6.2 Further, IPSAS 39 (3) Presentation: Employee benefits are presented as an expense in the statement of financial performance (income statement). In the general ledger, monthly salaries would typically be recorded as follows: Debit: Salaries Expense (to recognize the expense), Credit: Cash/Bank (if paid immediately) or Salaries Payable (if accrued and unpaid)."



- 1.4.6.3 Regulation O.24 (2) of the Public Financial Management Act of 2009 states that "A Head of Government Agency shall, in relation to sub-regulation (1) appoint an officer who shall examine and check daily, all entries in cash books and other books of account, the counterfoils or copies of receipts or original documents to verify the correctness of the transactions"

**Observation**

- 1.4.6.4 During the audit, we observed that personnel emolument, or compensation and benefits, were posted in bulk amounts in the general ledger. We observed no evidence of monthly individual employee salary payments being tracked to the general ledger.

**Risk**

- 1.4.6.5 Fair presentation and full disclosures may be impaired. Effective review and reconciliation may also be impaired.

**Recommendation**

- 1.4.6.6 Management should facilitate the posting of individual payroll transactions of employees' salaries to the general ledger on a monthly basis given the size of the entity personnel listing (23 employees). Alternatively, Management should post the total monthly salaries of the entity to the general ledger and create corresponding journal vouchers detailing the monthly payroll of each department and individual employees' salaries with references including unique identifiers (payroll journal codes, debit instruction references, payment vouchers codes, check numbers, account balance codes, etc., where applicable) and approved for reconciliation and review purposes. Evidence of approved journal vouchers, and other corresponding supporting records should be adequately documented and filed to facilitate future review. These controls will facilitate the seamless review and reconciliation of journal entries.
- 1.4.6.7 Going forward, 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 between the general ledger, trial balance, and the financial statements to facilitate completeness and accuracy of the financial statements.

**Management's Response**

- 1.4.6.8 *The NRF acknowledges the Auditors' recommendation. Management has transitioned to an automated Financial Management System (Sage 300) which has the capability of posting individual payroll transactions of employees' salaries to the general ledger on a monthly basis.*

**Auditor General's Position**

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



#### **1.4.7 Lack of Approved Human Resource Policies and Procedures**

##### **Criteria**

- 1.4.7.1 The Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal control framework on control activities states: "Institutions deploy control activities through policies that establish what is expected and procedures that put policies into action". Policies and procedures are established and implemented to help ensure that risk responses are effectively carried out within an entity.

##### **Observation**

- 1.4.7.2 During the audit, we observed no evidence of approved human resource policies and procedures to guide its human resource activities for the period under audit.
- 1.4.7.3 Further, we observed no evidence that Management has adopted the Decent Work Act to guide its human resources activities.

##### **Risk**

- 1.4.7.4 Failure to develop approved policies and procedures to guide the activities of the entity may lead to arbitrary decisions that may be non-compliant to applicable laws and regulations and may impair the achievement of the entity's objectives.

##### **Recommendation**

- 1.4.7.5 Management should develop, approve and operationalize human resources policies and procedures for the effective and efficient operations of human resources activities of the entity.
- 1.4.7.6 Alternatively, Management should adopt and operationalize the Decent Work Act to guide the human resources activities of the entity.
- 1.4.7.7 Evidence of approved policies and procedures or adoption of the Decent Work Act should be adequately documented and filed to facilitate future review.
- 1.4.7.8 Going forward, Management should perform periodic review to ensure consistency of approved human resources policies and practices at the entity.

##### **Management's Response**

- 1.4.7.9 *The NRF accepts the auditors' recommendations. Management has created, authorized, and implemented human resources policies and procedures to ensure the entity's human resources operations run smoothly.*

##### **Auditor General's Position**

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



#### **1.4.8 No Automated Payroll Management System**

##### **Criteria**

- 1.4.8.1 Section 36(1) of the Public Financial Management (PFM) Act of 2009 as amended and restated 2019 states that "it is a general responsibility under this Act for all government officials handling public financial transactions to ensure that financial information is reported in a timely, comprehensive, and accurate manner, in the manner prescribed in this Act, under its regulations, and in instruction issued by the Minister".

##### **Observation**

- 1.4.8.2 During the audit, we observed no evidence of an automated centralized payroll management system to facilitate the effective payroll management of the entity. The payroll was managed in MS excel.

##### **Risk**

- 1.4.8.3 Data integrity, security and completeness and accuracy of payroll records may be impaired.
- 1.4.8.4 In the absence of a centralized payroll management system, the computation of taxes, other deductions and net salaries may be impaired.
- 1.4.8.5 Management may not account for all its payroll transactions.

##### **Recommendation**

- 1.4.8.6 Management should procure and operationalize a functional payroll system to facilitate complete, accurate and real-time recording of all payroll transactions of the entity.
- 1.4.8.7 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 payroll ledger. Going forward, an automated linkage should be created between the payroll ledger, trial balance and the financial statements to facilitate completeness and accuracy of the financial statements.
- 1.4.8.8 Management should also facilitate the operationalization of the electronic document management system by ensuring all relevant source and supporting documents for payroll transactions are scanned, attached to the transactions in the payroll and accounting software, archived and maintained to facilitate future review.

##### **Management's Response**

- 1.4.8.9 *The NRF acknowledges the Auditors' recommendation. Management has procured and operationalized an automated Financial Management System (Sage 300) which has a functional payroll system to facilitate complete, accurate and real-time recording of all payroll transactions of the entity.*

##### **Auditor General's Position**

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



#### **1.4.9 Lack of Segregation of Duties in Payroll Management**

##### **Criteria**

- 1.4.9.1 According to COSO Framework 2011, paragraph 148, "senior management and the board of directors establish the organizational structure and reporting lines necessary to plan, execute, control and periodically assess the activities of the entity. This goal is to provide for clear accountability and information flow within and across the overall entity, and its subunits".

##### **Observation**

- 1.4.9.2 During the audit, we observed no evidence that monthly payroll originated from the Human Resource Unit and forwarded to the Finance Unit for processing.
- 1.4.9.3 Additionally, we observed no evidence that the payroll journals were subsequently submitted to heads of department/units to review and corroborate salaries to be disbursed to personnel of respective department/units.
- 1.4.9.4 Further, we observed no evidence that the Internal Audit Department performed post reconciliation among the net salary per the payroll journals, the debit instructions issued to the banks and the bank statements to corroborate that approved net salaries were reconciled to actual disbursements.

##### **Risk**

- 1.4.9.5 Lack of segregation of duties of such key functions may impair checks and balances, thereby, leading to misappropriation of the entity's fund.
- 1.4.9.6 Inadequate review of the payroll may lead to ghost or undeserving staff being compensated. This may also lead to salaries being paid for work not performed.
- 1.4.9.7 Approved adjustments to the payroll may not be implemented.
- 1.4.9.8 Unauthorized adjustments may be undetected leading to misappropriation of the entity's fund.

##### **Recommendation**

- 1.4.9.9 Management should facilitate segregation of duties and check and balances in the preparation of monthly payroll. All adjustments to the payroll should be cataloged by the Human Resource Department and submitted to the Finance Department for processing. Subsequently, the Finance Department should submit the adjusted payroll to the head of each department/unit and the Human Resource Department for validation before submission back to Finance Department for processing.
- 1.4.9.10 The Internal Audit Department should facilitate post reconciliation among the net salary per the payroll journals; the debit instructions issued to the banks and the bank statements to corroborate that approved net salaries were reconciled to actual disbursements on a monthly basis.



- 1.4.9.11 Evidence of approved monthly payroll journals, approved adjustments to the payroll, post disbursement reconciliation and all other relevant supporting records should be adequately documented and filed to facilitate future review.

**Management's Response**

- 1.4.9.12 *The NRF acknowledges the Auditors' recommendation. Management has put in place an internal control framework that ensures segregation of duties and checks and balances in the preparation of monthly payroll. All payroll-related transactions are now initiated by the HR department; thus, all adjustments to the payroll are cataloged by the HR Department and submitted to the Finance Department for processing.*

**Auditor General's Position**

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

**1.4.10 Lack of Policy on Internship**

**Criteria**

- 1.4.10.1 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 mages 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**

- 1.4.10.2 During the audit, we observed no evidence of an approved internship policy to regulate the internship program of the entity. As a result, we observed that some interns were maintained at the entity for periods longer than three or six months, or one year.

**Risk**

- 1.4.10.3 Failure to develop policies to guide the activities of the National Road Fund (NRF) may lead to arbitrary decisions that may impair the achievement of the entity's objectives.
- 1.4.10.4 In the absence of an approved internship policy, the entity may inadvertently violate labor laws and regulations, including those related to employment classification, minimum wage, and benefits.
- 1.4.10.5 Extended internships may lead to misclassification of workers, resulting in potential legal liabilities and penalties. Lack of clarity and structure in managing long-term internships can lead to inconsistent intern experiences and expectations.

### **Recommendation**

- 1.4.10.6 Management should develop, approve and operationalize a policy for recruitment of interns at the entity. The policy should comprehensively detail the process of hiring interns, qualification of interns, maximum period of assignment, approved monthly benefits, etc.
- 1.4.10.7 Management should facilitate periodic performance appraisal for interns to determine if high performing interns can be recruited in the workforce of the entity.
- 1.4.10.8 Evidence of approved policy and periodic performance appraisal of interns should be adequately documented and filed to facilitate future review.

### **Management's Response**

- 1.4.10.9 *The NRF acknowledges the Auditors' recommendation. Management has developed a draft version of an intern policy manual which outlines the recruitment of interns at the entity. Currently, the manual is being reviewed by the Fund Manager for IMSC's approval. This policy is intended to comprehensively detail the process of hiring interns, qualifications of interns, maximum period of assignment, approved monthly benefits, etc.*

### **Auditor General's Position**

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

## **1.4.11 Non-Monitoring of Attendance Log**

### **Criteria**

- 1.4.11.1 Section § 17.1 of the Decent Work Act of Liberia 2015, requires that "Ordinary hours of work a) Ordinary hours of work shall be eight hours in any one day or forty-eight hours in any one week. b) Except as provided in this Chapter, an employer shall not cause or require an employee to work longer than the ordinary hours of work. 49 § 17.2 Variation of ordinary hours of work An employee who works fewer than eight hours on one or more working days of the week may be required to work more than eight hours on the remaining working days of the week, provided that: a) In no case shall the daily limit of eight hours be exceeded by more than four hours; and b) Nor shall the weekly limit of forty-eight hours be exceeded."
- 1.4.11.2 Further, Section § 17.8 of the Decent Work Act of Liberia 2015, requires that "Employer to post notice of working hours a) An employer shall clearly display a notice showing the hours at which work begins and ends and the daily rest periods, in a readily accessible location in any workplace under their control. b) Where necessary a notice posted under this section shall indicate clearly any differences in working hours for different groups or individuals among the employees."

### **Observation**

- 1.4.11.3 During the audit, we observed that the daily attendance logs were not adequately supervised or monitored by staff of the Human Resource Department. Personnel are processed on the payroll without reference to the signed daily attendance log.



1.4.11.4 Additionally, we observed no evidence of attendance log for July, August and September of FY2020/2021 and June, July, August and September of FY2022. We further observed that staff of the entity were only signing in but not signing out after working hours for all other months of the period under audit.

**Risk**

1.4.11.5 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 affect the operation and performance of the entity.

1.4.11.6 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**

1.4.11.7 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.

1.4.11.8 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.

1.4.11.9 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**

1.4.11.10 *The auditors' recommendation has been acknowledged by the NRF. The management has an electronic clock-in system that can track the daily attendance of staff.*

**Auditor General's Position**

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

**1.4.12 Non-Performance of Exit Conference for Resignation**

**Criteria**

1.4.12.1 Regulations T.8 of the PFM Act of 2009 as amended and restated 2019 states that "Unless the effective date is otherwise specified under any other enactment, the effective date shall be in the case of a deceased public officer, the three months following the date of death;  
b. convicted officers, the date of conviction;  
c. leave without pay, the date approved for the leave;  
d. officers absent without leave, the first day of such absence; or  
e. resignation and retirement, the effective date for stoppage shall be the earlier of: date of absence; or date specified on a relevant document."

**Observation**

- 1.4.12.2 During the audit, we observed that Management did not perform exit conference for a few staff whose service contracts had ended or resigned during the period under audit. This practice is essential for gathering valuable feedback and ensuring a smooth transition.

**Risk**

- 1.4.12.3 In the absence of an exit conference upon resignation, Management may not be aware of the underlying reason (s) for employees' resignation. This may lead to high labor turnover of employees.

**Recommendation**

- 1.4.12.4 Management should facilitate the performance of exit conference for all staff departing the entity to ascertain the reason(s) for resignation.
- 1.4.12.5 Management should catalog reason(s) obtained from exiting staff during the exit conference to aid in the formulation of employee's development plan. Existing resources should be used to resolve significant issues raised by exiting personnel.
- 1.4.12.6 Evidence of exit conference and actions to address significant concerns should be adequately documented and filed to facilitate future review.

**Management's Response**

- 1.4.12.7 *The NRF acknowledges the Auditors' recommendation. Management will facilitate the performance of exit conference for all staff departing the entity to ascertain the reason(s) for resignation.*

**Auditor General's Position**

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

**1.4.13 Lack of Established Audit Committee**

**Criteria**

- 1.4.13.1 Regulations K.10 of the PFM Act of 2009 as amended and restated 2019 requires "The head of government agency or government organization to 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."
- 1.4.13.2 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.
- 1.4.13.3 Additionally, Regulation K.12(1-5) of the PFM Act of 2009 as amended and restated states that '(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.

#### **Observation**

- 1.4.13.4 During the audit, we observed no evidence that Management established an audit committee to monitor and address audit matters at the entity as required for the period under audit.

#### **Risk**

- 1.4.13.5 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.
- 1.4.13.6 Internal and external audit recommendations may not be monitored and implemented in a timely manner.

#### **Recommendation**

- 1.4.13.7 Management should liaise with the relevant authority of the Board to establish a functional audit committee. Evidence of periodic meetings minutes and activities reports should be adequately documented and filed to facilitate future review.

#### **Management's Response**

- 1.4.13.8 *The NRF acknowledges the Auditors' recommendation. Currently, management has established a functional audit committee as evidenced by periodic meetings minutes and activities reports which are adequately documented and filed to facilitate future review.*

#### **Auditor General's Position**

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

#### **1.4.14 No Internal Audit Unit**

##### **Criteria**

- 1.4.14.1 Regulation J-3 (1) of the PFM Act of 2009 as amended and restated 2019 requires that "There shall be established in each government agency or government organization an internal audit unit which shall constitute a part of that institution".

##### **Observation**

- 1.4.14.2 During the audit, we observed no evidence of an established and functional Internal Audit Unit for the periods under audit evidenced by the absence of periodic risks assessment, internal audits and follow-up on the implementation of internal and external audit recommendations.



**Risk**

- 1.4.14.3 The absence of an Internal Audit Unit may deny assurance that risks are appropriately identified and mitigated.
- 1.4.14.4 Systems, controls and compliance activities may not be monitored, thereby impairing the achievement of the entity's objectives.
- 1.4.14.5 External audit recommendations may not be implemented in a timely manner.

**Recommendation**

- 1.4.14.6 Management should establish a functional Internal Audit Unit to provide independent assurance on the effectiveness of the entity's risk management, governance and internal control processes.
- 1.4.14.7 Management should ensure that the Internal Audit Unit is made fully functional evidenced by the conduct of periodic risk assessments, internal audits and implementation of internal and external audit recommendations.
- 1.4.14.8 Periodic risk assessments and internal audit reports as well as evidence of implementation of internal and external audit recommendations should be adequately documented and filed to facilitate future review.

**Management's Response**

- 1.4.14.9 *The NRF acknowledges the Auditors' recommendation. Currently, Management has a functional Internal Audit Unit (IAA) to provide independent assurance on the effectiveness of the entity's risk management, governance and internal control processes.*

**Auditor General's Position**

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

**1.4.15 Lack of Risk Management Policy and Report**

**Criteria**

- 1.4.15.1 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 mages 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**

- 1.4.15.2 During the audit, we observed no evidence of a risk management policy and the conduct of periodic risk management activities for the period under audit.

**Risk**

- 1.4.15.3 The absence of a risk management policy and periodic risk assessment activities may lead to management not being aware of potential risks that may impair the operations of the entity.
- 1.4.15.4 Potential risks which may impair the achievements of the entity's objectives may not be identified and mitigated in a timely manner.

**Recommendation**

- 1.4.15.5 Management should develop, approve and operationalize a risk management policy to regulate risk management activities of the entity. The policy should comprehensively catalogue all potential risks to the entity and measures to mitigate risks to acceptable levels. Additionally, Management should facilitate the conduct of periodic risk assessment activities consistent with the approved risk management policy.
- 1.4.15.6 Evidence of approved risk management policy and periodic risk assessment reports should be adequately documented and filed to facilitate future review.

**Management's Response**

- 1.4.15.7 *The recommendation of the auditors is acknowledged by the NRF. To control the entity's risk management operations, management has currently created, authorized, and implemented a risk management policy. All possible risks to the organization were thoroughly listed in the policy, along with steps to reduce those risks to manageable levels. The GAC Follow Up Team has examined this policy.*

**Auditor General's Position**

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

**1.4.16 Unapproved Policies and Procedures**

**Criteria**

- 1.4.16.1 The Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal control framework on control activities states: "Institutions deploy control activities through policies that establish what is expected and procedures that put policies into action". Policies and procedures are established and implemented to help ensure that risk responses are effectively carried out within an entity.

**Observation**

- 1.4.16.2 During the audit, we observed no evidence of approved policies to guide its operations for the following:
- Honorarium



- Petty cash policy
- Salary advances policy

### **Risk**

- 1.4.16.3 Failure to develop approved policies and procedures to guide the activities of the entity may lead to arbitrary decisions that may be non-compliant to applicable laws and regulations and may impair the achievement of the entity's objectives.
- 1.4.16.4 In the absence of an approved policy, expenditure may be discretionary which may lead to misappropriation of entity's fund.

### **Recommendation**

- 1.4.16.5 Management should develop, approve and operationalize policies and procedures for the various functions identified above, for the effective and efficient operations of the entity.
- 1.4.16.6 Evidence of approved policies and procedures should be adequately documented and filed to facilitate future review.

### **Management's Response**

- 1.4.16.7 *The recommendation of the auditors is acknowledged by the NRF. To control the entity's risk management operations, management has currently created, authorized, and implemented a risk management policy. All possible risks to the organization were thoroughly listed in the policy, along with steps to reduce those risks to manageable levels. The GAC Follow Up Team has examined this policy.*

### **Auditor General's Position**

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

## **1.4.17 No Training and Development Plan**

### **Criteria**

- 1.4.17.1 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".
- 1.4.17.2 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**

- 1.4.17.3 During the audit, we observed no evidence that Management had a documented training and development plan for NRF staff.



**Risk**

- 1.4.17.4 Lack of training and development plans may result in training programs not being able to address employees' training needs and performance deficiencies.
- 1.4.17.5 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.
- 1.4.17.6 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**

- 1.4.17.7 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.
- 1.4.17.8 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 plan.
- 1.4.17.9 Evidence of annual capacity development plan should be adequately documented and filed to facilitate future review.

**Management's Response**

- 1.4.17.10 *The auditors' recommendation has been acknowledged by the NRF. A thorough training strategy has been created and implemented by management to meet the strategic capacity requirements of the organization's employees.*

**Auditor General's Position**

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

**1.4.18 Lack of Updated Procurement Plan**

**Criteria**

- 1.4.18.1 Part IV Section 40 paragraph (5) of the Public Procurement Concession Act, 2005, as amended in 2010, requires that "each Procuring Entity, shall, on a quarterly basis and whenever it becomes necessary, review and update its procurement plans and notify the Commission in writing and the Minister of Finance of any material changes in its plan. An updated procurement plan shall accompany said notice to the Commission."

**Observation**

- 1.4.18.2 During the audit, we observed that Management procured goods and services without evidence of an updated procurement plan for FY 2022.



**Risk**

- 1.4.18.3 The lack of updated procurement Plan may lead to discretionary expenditure, waste and impair value for money.

**Recommendation**

- 1.4.18.4 Management should facilitate the approval of annual procurement plan by the PPCC. All unplanned procurement activities should be subsequently submitted to the PPCC for approval before execution.
- 1.4.18.5 Management should ensure that the requisite procurement methods are utilized for all procurement transactions to achieve value for money and ensure compliance to the PPC Act of 2005 as amended and restated in 2010 and the approved annual procurement plan.
- 1.4.18.6 Evidence of approved annual procurement plan, approved adjustment to the annual procurement plan and all relevant supporting procurement records should be adequately documented and filed to facilitate future review.

**Management's Response**

- 1.4.18.7 *The NRF accepts the auditors' recommendation. Presently, management has created an operationalized strategic plan (for a five-year period) that lists short-, medium-, and long-term objectives, the tools and tactics required to reach those objectives, and the schedules for carry out the goals listed.*

**Auditor General's Position**

- 1.4.18.8 Management's assertions did not adequately address the issues raised. The audit finding was related to an outdated procurement plan and not the absence of a functional strategic and operational plan as may have been inadvertently asserted by Management. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

**1.4.19 Unapproved Strategic and Operational plan**

**Criteria**

- 1.4.19.1 Regulation D.19 (1)(b) of the PFM Act of 2009 as amended and restated 2019 entitled 'Expenditure Estimates' states that a head of a government entity shall "prepare a strategic plan which shall include a definition of the Government agency's mission, goals, objectives, outputs and activities;
- 1.4.19.2 Regulation D.22 entitled 'Budget Hearing' further states that: (1) "On receipt of estimates from ministries and agencies, the Minister shall cause to be conducted budget hearings to review strategic plans and estimates of the government agencies concerned in order to ensure that these plans and estimates are in accordance with the Government's macroeconomic policy and fiscal framework. (2) Where necessary, the Minister may require a government ministry or agency to make adjustments to its strategic plans and estimates in order to fulfill the requirements of the Government's macro-economic policy and fiscal framework."



1.4.19.3 The Committee on Sponsoring Organizations of the Treadway Commission's (COSO) integrated framework for internal control is an effective internal control system which consists of five elements including, the control environment, risk assessment, information and communication, control activities and monitoring.

1.4.19.4 The goal of COSO is to develop guidance for establishing and maintaining effective internal control in the public and private sectors. Government management is therefore an important addressee of the guidelines. Government management can use these guidelines as a basis for the implementation and execution of internal control in its organizations.

**Observation**

1.4.19.5 During the audit, we observed that Management operated the entity without evidence of approved strategic and operational plans for the period under audit.

**Risk**

1.4.19.6 Short, medium and long-term goals of the entity may not be identified, pursued and implemented thereby impairing the achievement of the organization objectives.

1.4.19.7 Failure to develop policies and procedures to guide the activities of the entity may lead to arbitrary decisions that may be non-compliant to applicable laws and regulations and may impair the achievement of the entity's objectives.

**Recommendation**

1.4.19.8 Management should develop, approve and operationalize a strategic plan (for at least five years) cataloging short, medium and long-term goals, resources and strategies needed to achieve those goals and timelines for the implementation of goals cataloged therein. Subsequently, Management should develop, approve and operationalize annual operational plans to expedite the implementation of strategic goals on an annual basis.

1.4.19.9 The strategic and operational plans should be monitored and assessed on a periodic basis. Adjustments should be implemented where applicable.

1.4.19.10 Evidence of approved strategic and operational plans should be adequately documented and filed to facilitate future review.

**Management's Response**

1.4.19.11 *The advice of the auditors is acknowledged by the NRF. At the moment, management has created an operationalized strategic plan (for a five-year period) that lists short-, medium-, and long-term objectives, the tools and tactics required to accomplish them, and the dates for putting those objectives into action.*

**Auditor General's Position**

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



#### **1.4.20 Lack of Senior Management Meeting Minutes**

##### **Criteria**

- 1.4.20.1 Regulation A.3 (1) of the PFM Act of 2009 as amended and restated 2019 states that, "Any public officer concerned with the conduct of financial matters of the Government of Liberia, or the receipt, custody and disbursement of public and trust moneys, or for the custody, care and use of government stores and inventories shall keep books of accounts and proper records of all transactions and shall produce the books of accounts and records of the transactions for inspection when called upon to do so by the Auditor-General, the Comptroller General, the relevant internal auditor or any officers authorized by them, by the Minister."

##### **Observation**

- 1.4.20.2 During the audit, we observed no evidence of Senior Management meeting minutes to facilitate oversight and review of Management functions.

##### **Risk**

- 1.4.20.3 Monitoring and evaluation of the mandate and strategic and operational objectives of the entity may be impaired. This may impair the achievement of approved deliverables of the entity.

##### **Recommendation**

- 1.4.20.4 Management should facilitate the conduct of periodic Senior Management meetings. Senior Management meeting minutes should comprehensively detail activities discussed, actions to implement planned activities and approved timelines. Meetings' minutes should be subsequently documented and filed to facilitate future review.
- 1.4.20.5 Management should also institute a platform for following-up on decision made at Senior Management meetings. An update of progress towards previous meeting agreed actions/deliverable should be discussed during current meetings, as a medium for tracking institutional progress and planning for future activities.

##### **Management's Response**

- 1.4.20.6 *The NRF accepts the auditors' recommendation. A draft Disaster Recovery Plan has currently been established by management to help reduce the risk of transaction data and information being lost in the event of an adverse event. In order to approve the Disaster Recovery Plan, the IMSC Board is reviewing it.*

##### **Auditor General's Position**

- 1.4.20.7 Management's assertions did not adequately address the issues raised. The audit finding was related to the absence of Senior Management Meeting Minutes and not the absence of disaster recovery plan as may have been inadvertently asserted by Management. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

#### **1.4.21 No Disaster Recovery Plan**

##### **Criteria**

- 1.4.21.1 According to COSO Internal Control Framework on Control Environment, the Management of an entity should develop a documented Disaster Recovery Plan to provide procedures to be followed in the event of a disaster. The plan would mitigate the loss of transaction data and information. The purpose of the plan is to minimize the effects of service interruption of the operations by:
- Specifying procedures to be followed in the event of a disaster or specific situation, especially measures to be put in place to minimize the effects of disasters;
  - Assigning responsibilities to various staff members involved in the implementation of the plan;
  - Specifying procedures for the restoration of normal service following a disaster.

##### **Observation**

- 1.4.21.2 During the audit, we observed no evidence that Management had a disaster recovery plan to help recover transaction data and information and to ensure business continuity in the event of disaster.

##### **Risk**

- 1.4.21.3 The failure to establish a disaster recovery plan may result in the complete loss of transaction data and information in the case where a negative event may occur.

##### **Recommendation**

- 1.4.21.4 Management should develop, approve and operationalize a disaster recovery plan to help mitigate the risk of loss of transaction data and information in the event of a negative occurrence.
- 1.4.21.5 Evidence of an approved disaster recovery plan should be adequately documented and filed to facilitate future review.

##### **Management's Response**

- 1.4.21.6 *The recommendation of the auditors is acknowledged by the NRF. To help reduce the possibility of losing transaction data and information in the case of an unfavorable event, management has now created a draft version of a disaster recovery plan. The IMSC Board is reviewing and approving the Disaster Recovery Plan.*

##### **Auditor General's Position**

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

#### **1.4.22 Lack of IT Governance**

##### **Criteria**

- 1.4.22.1 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.

1.4.22.2 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.

1.4.22.3 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**

1.4.22.4 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 Committee
- IT Strategic Plan
- IT Steering Committee
- Organogram
- Training Program and
- Service Level Agreement

#### **Risk**

1.4.22.5 Failure to constitute the above mention 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**

1.4.22.6 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 entity's strategic objectives, enhancing transparency, accountability, and efficiency.

#### **Management's Response**

1.4.22.7 *The Auditor General's claim is supported by management. The proper actions to fulfill the aforementioned recommendation are being worked on by the NRF management.*

#### **Auditor General's Position**

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

### **1.4.23 Lack of Security Management**

#### **Criteria**

- 1.4.23.1 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**

- 1.4.23.2 During the audit, we observed no evidence of an IT security management 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**

- 1.4.23.3 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**

- 1.4.23.4 Management should establish and operationalize an IT Security Management 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.
- 1.4.23.5 Effective IT Security Management helps maintain the trust of stakeholders, protects the organization's reputation, and ensures compliance with regulatory requirements. It also plays a vital role in safeguarding the privacy of clients and employees, thus maintaining the overall security posture of an organization in the face of evolving digital threats.

#### **Management's Response**

- 1.4.23.6 *Management concurs with the Auditor General's claim. The NRF management is figuring out how to implement the aforementioned recommendation.*

#### **Auditor General's Position**

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



ANNEXURES

ANNEXURE 1: UNREMITTED FUEL LEVY FUEL FEES

ACTUAL ROAD FUND COLLECTION PER LRA REVENUE COLLECTION DETAIL REPORT					
DESCRIPTION / YEAR & MONTHS FY 2020/2021	AMOUNT COLLECTED BY LRA (USD) (A)	AMOUNT COLLECTED BY LRA (LRD) (B)	CBL ELLING EXCHANGE RATED AT END OF MONTH (C)	AMOUNT COLLECTED BY LRA (EQUIVALENT USD) D=(B/C)	TOTAL AMOUNT COLLECTED BY LRA (USD) E=(A+D)
Jul-20	792,793.62	231,066,818.23	199.77	1,156,661.94	1,949,455.56
Aug-20	1,451,331.69	150,315,172.80	199.93	751,846.15	2,203,177.84
Sep-20	1,062,101.11	166,836,939.10	199.19	837,589.92	1,899,691.03
Oct-20	1,205,116.39	141,253,229.40	182.00	776,096.60	1,981,212.99
Nov-20	1,984,157.03	54,059,990.36	158.22	341,685.80	2,325,842.83
Dec-20	1,086,748.55	194,893,579.40	165.02	1,181,048.66	2,267,797.21
Jan-21	668,145.00	245,040,132.53	171.42	1,429,468.91	2,097,613.91
Feb-21	817,737.60	203,760,490.40	174.13	1,170,159.68	1,987,897.28
Mar-21	402,027.85	269,939,047.30	173.72	1,553,901.16	1,955,929.01
Apr-21	947,350.00	230,022,527.10	172.75	1,331,515.67	2,278,865.67
May-21	849,387.50	254,642,415.80	172.11	1,479,501.14	2,328,888.64
Jun-21	981,204.19	182,662,337.40	172.12	1,061,251.78	2,042,455.97
<b>Total (a)</b>	<b>12,248,100.53</b>	<b>2,324,492,679.82</b>	<b>177.84</b>	<b>13,070,727.41</b>	<b>25,318,827.94</b>
<b>SBY2021</b>					
Jul-21	897,708.31	148,713,976.79	172.33	862,954.46	1,760,662.77
Aug-21	976,042.48	176,562,355.00	172.53	1,023,347.59	1,999,390.07
Sep-21	1,410,615.04	59,548,564.00	171.68	346,856.48	1,757,471.52
Oct-21	1,431,003.14	45,680,067.50	151.13	302,256.38	1,733,259.52
Nov-21	964,961.29	41,746,535.16	142.79	292,358.65	1,257,319.94
Dec-21	2,053,950.00	165,617,336.00	146.27	1,132,234.23	3,186,184.23
<b>Total (a)</b>	<b>7,734,280.26</b>	<b>637,868,834.45</b>	<b>161.08</b>	<b>3,960,007.79</b>	<b>11,694,288.05</b>
<b>FY 2022</b>					



ACTUAL ROAD FUND COLLECTION PER LRA REVENUE COLLECTION DETAIL REPORT					
DESCRIPTION/ YEAR & MONTHS FY 2020/2021	AMOUNT COLLECTED BY LRA (USD) (A)	AMOUNT COLLECTED BY LRA (LRD) (B)	CBL ELLING EXCHANGE RATED AT END OF MONTH (C)	AMOUNT COLLECTED BY LRA (EQUIVALENT USD) D=(B/C)	TOTAL AMOUNT COLLECTED BY LRA (USD) E=(A+D)
Jan-22	1,480,111.06	118,424,811.25	153.55	771,238.89	2,251,349.95
Feb-22	1,179,369.95	141,315,976.00	152.43	927,077.35	2,106,447.30
Mar-22	1,019,090.79	238,887,056.09	153.37	1,557,614.02	2,576,704.81
Apr-22	1,928,837.31	107,888,308.75	152.61	706,953.00	2,635,790.31
May-22	1,147,194.39	185,329,736.87	151.50	1,223,301.82	2,370,496.21
Jun-22	367,500.00	211,324,779.04	153.75	1,374,496.93	1,741,996.93
Jul-22	320,466.38	184,473,092.85	152.45	1,210,080.18	1,530,546.56
Aug-22	705,202.46	169,581,901.45	154.66	1,096,494.02	1,801,696.48
Sep-22	538,415.00	154,641,172.41	154.69	999,667.55	1,538,082.55
Oct-22	207,790.00	220,769,507.50	154.57	1,428,265.10	1,636,055.10
Nov-22	454,928.08	187,636,062.37	155.00	1,210,580.23	1,665,508.31
Dec-22	411,125.00	202,215,979.65	155.33	1,301,833.27	1,712,958.27
<b>Total (a)</b>	<b>9,760,030.42</b>	<b>2,122,488,384.23</b>	<b>153.72</b>	<b>13,807,602.36</b>	<b>23,567,632.78</b>
<b>(A) Grand Total (a+ b+ c)</b>	<b>29,742,411.21</b>	<b>5,084,849,898.50</b>	<b>164.89</b>	<b>30,838,337.57</b>	<b>60,580,748.78</b>
ACTUAL GOL REMITTANCES TO NRF ESCROW ACCOUNTS					
DESCRIPTION/YEAR & MONTHS FY2020/2021	GOL REMITTANCES (USD) (A)	GOL REMITTANCES (LRD) (B)	MONTH-END CBL SELLING EXCHANGE RATES (C)	GOL REMITTANCES (EQUIVALENT USD) D=(B/C)	CONSOLIDATED GOL REMITTANCES (USD) E=(A+D)
Jul-20	4,000,000.00	-	-	-	4,000,000.00
Aug-20	728,593.62	-	-	-	728,593.62
Sep-20	1,051,936.69	202,356,993.73	199.19	1,015,899.36	2,067,836.05
Oct-20	380,121.31	75,157,586.40	182.00	412,953.77	793,075.08



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DESCRIPTION/ YEAR & MONTHS FY 2020/2021	AMOUNT COLLECTED BY LRA (USD) (A)	AMOUNT COLLECTED BY LRA (LRD) (B)	CBL ELLING EXCHANGE RATED AT END OF MONTH (C)	AMOUNT COLLECTED BY LRA (EQUIVALENT USD) D=(B/C)	TOTAL AMOUNT COLLECTED BY LRA (USD) E=(A+D)
Nov-20	250,000.00	-	-	-	250,000.00
Dec-20	5,250,000.00	-	-	-	5,250,000.00
Jan-21	2,200,000.00	-	-	-	2,200,000.00
Feb-21	-	-	-	-	-
Mar-21	4,500,000.00	-	-	-	4,500,000.00
Apr-21	-	-	-	-	-
May-21	250,000.00	-	-	-	250,000.00
Jun-21	328,000.00	386,165,512.70	172.12	2,243,583.04	2,571,583.04
<b>Total (a)</b>	<b>18,938,651.62</b>	<b>663,680,092.83</b>		<b>3,672,436.17</b>	<b>22,611,087.79</b>
<b>SBY 2021</b>					
Jul-21	500,000.00	-	-	-	500,000.00
Aug-21	1,471,641.78	-	-	-	1,471,641.78
Sep-21	1,340,858.94	-	-	-	1,340,858.94
Oct-21	1,193,038.09	50,000,000.00	151.13	330,840.56	1,523,878.65
Nov-21	-	-	-	-	-
Dec-21	1,650,000.00	-	-	-	1,650,000.00
<b>Total (a)</b>	<b>6,155,538.81</b>	<b>50,000,000.00</b>	<b>151.13</b>	<b>330,840.56</b>	<b>6,486,379.37</b>
<b>FY 2022</b>					
Jan-22	-	-	-	-	-
Feb-22	1,155,736.06	118,424,811.25	153.55	771,245.92	1,927,819.18
Mar-22	4,000,000.00	-	-	-	4,000,000.00
Apr-22	2,500,000.00	-	-	-	2,500,000.00
May-22	-	-	-	-	-
Jun-22	2,400,000.00	504,906,628.71	151.50	3,332,717.02	5,722,101.65
Jul-22	4,000,000.00	-	-	-	4,000,000.00



ACTUAL ROAD FUND COLLECTION PER LRA REVENUE COLLECTION DETAIL REPORT					
DESCRIPTION/ YEAR & MONTHS FY 2020/2021	AMOUNT COLLECTED BY LRA (USD) (A)	AMOUNT COLLECTED BY LRA (LRD) (B)	CBL EXCHANGE RATED AT END OF MONTH (C)	AMOUNT COLLECTED BY LRA (EQUIVALENT USD) D=(B/C)	TOTAL AMOUNT COLLECTED BY LRA (USD) E=(A+D)
Aug-22	3,000,000.00	-	-	-	3,000,000.00
Sep-22	-	-	-	-	-
Oct-22	-	-	-	-	-
Nov-22	2,900,000.00	-	-	-	2,900,000.00
Dec-22	55,000.00	-	-	-	55,000.00
<b>Total (c)</b>	<b>20,010,736.06</b>	<b>623,331,439.96</b>	<b>152.25</b>	<b>4103962.94</b>	<b>24,104,920.83</b>
<b>(B) Grand Total (a+b+c)</b>	<b>45,104,926.49</b>	<b>1,337,011,532.79</b>	<b>165.11</b>	<b>8,097,461.50</b>	<b>53,202,387.99</b>
<b>Variance (A-B)</b>	<b>(15,362,515.28)</b>	<b>3,747,838,365.71</b>	<b>164.81</b>	<b>22,740,876.07</b>	<b>7,378,360.79</b>

**ANNEXURE 2: VARIANCE IN GOL REMITTANCES PER NRF ESCROW BANK ACCOUNTS AND FINANCIAL STATEMENTS OF FUEL LEVY FEES**

ACTUAL GOL REMITTANCES TO NRF ESCROW ACCOUNTS					
DESCRIPTION/YEAR & MONTHS FY2020/2021	GOL REMITTANCES (USD) (A)	GOL REMITTANCES (LRD) (B)	MONTH-END CBL SELLING EXCHANGE RATES (C)	GOL REMITTANCES (EQUIVALENT USD) D=(B/C)	CONSOLIDATED GOL REMITTANCES (USD) E=(A+D)
Jul-20	4,000,000.00	-	-	-	4,000,000.00
Aug-20	728,593.62	-	-	-	728,593.62
Sep-20	1,051,936.69	202,356,993.73	199.19	1,015,899.36	2,067,836.05
Oct-20	380,121.31	75,157,586.40	182.00	412,953.77	793,075.08
Nov-20	250,000.00	-	-	-	250,000.00
Dec-20	5,250,000.00	-	-	-	5,250,000.00
Jan-21	2,200,000.00	-	-	-	2,200,000.00
Feb-21	-	-	-	-	-
Mar-21	4,500,000.00	-	-	-	4,500,000.00



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ACTUAL GOL REMITTANCES TO NRF ESCROW ACCOUNTS					
DESCRIPTION/YEAR & MONTHS FY2020/ 2021	GOL REMITTANCES (USD) (A)	GOL REMITTANCES (LRD) (B)	MONTH-END CBL SELLING EXCHANGE RATES (C)	GOL REMITTANCES (EQUIVALENT USD) D=(B/C)	CONSOLIDATED GOL REMITTANCES (USD) E=(A+D)
Apr-21	-	-	-	-	-
May-21	250,000.00	-	-	-	250,000.00
Jun-21	328,000.00	386,165,512.70	172.12	2,243,583.04	2,571,583.04
<b>Total (a)</b>	<b>18,938,651.62</b>	<b>663,680,092.83</b>		<b>3,672,436.17</b>	<b>22,611,087.79</b>
<b>SBY 2021</b>					
Jul-21	500,000.00	-	-	-	500,000.00
Aug-21	1,471,641.78	-	-	-	1,471,641.78
Sep-21	1,340,858.94	-	-	-	1,340,858.94
Oct-21	1,193,038.09	50,000,000.00	151.13	330,840.56	1,523,878.65
Nov-21	-	-	-	-	-
Dec-21	1,650,000.00	-	-	-	1,650,000.00
<b>Total (a)</b>	<b>6,155,538.81</b>	<b>50,000,000.00</b>	<b>151.13</b>	<b>330,840.56</b>	<b>6,486,379.37</b>
<b>FY 2021</b>					
Jan-22	-	-	-	-	-
Feb-22	1,155,736.06	118,424,811.25	153.55	771,245.92	1,927,819.18
Mar-22	4,000,000.00	-	-	-	4,000,000.00
Apr-22	2,500,000.00	-	-	-	2,500,000.00
May-22	-	-	-	-	-
Jun-22	2,400,000.00	504,906,628.71	151.50	3,332,717.02	5,722,101.65
Jul-22	4,000,000.00	-	-	-	4,000,000.00
Aug-22	3,000,000.00	-	-	-	3,000,000.00
Sep-22	-	-	-	-	-
Oct-22	-	-	-	-	-
Nov-22	2,900,000.00	-	-	-	2,900,000.00
Dec-22	55,000.00	-	-	-	55,000.00
<b>Total (c)</b>	<b>20,010,736.06</b>	<b>623,331,439.96</b>	<b>152.25</b>	<b>4,094,184.77</b>	<b>24,104,920.83</b>



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ACTUAL GOL REMITTANCES TO NRF ESCROW ACCOUNTS					
DESCRIPTION / YEAR & MONTHS FY2020/2021	GOL REMITTANCES (USD) (A)	GOL REMITTANCES (LRD) (B)	MONTH-END CBL SELLING EXCHANGE RATES (C)	GOL REMITTANCES (EQUIVALENT USD) D=(B/C)	CONSOLIDATED GOL REMITTANCES (USD) E=(A+D)
(A) Grand Total (a+b+c)	45,104,926.49	1,337,011,532.79	165.11	8,097,461.50	53,202,387.99
GOL REMITTANCES PER NRF FINANCIAL STATEMENTS					
REMITTANCE PERIOD FY2020/2021	GOL REMITTANCES (USD) A	GOL REMITTANCES (LRD) B	CBL EXCHANGE RATES AT END OF MONTH C	GOL REMITTANCES (Equivalent USD) D=(B/C)	CONSOLIDATED REMITTANCES E=(A+D)
Jul-20	4,728,593.62	202,356,993.73	199.77	1,012,949.86	5,741,543.48
Aug-20	1,051,936.69	-	-	-	1,051,936.69
Sep-20	-	-	-	-	-
Oct-20	380,121.31	75,157,586.40	182.00	412,943.11	793,064.42
Nov-20	250,000.00	-	-	-	250,000.00
Dec-20	5,250,000.00	-	-	-	5,250,000.00
Jan-21	2,200,000.00	-	-	-	2,200,000.00
Feb-21	-	-	-	-	-
Mar-21	4,500,000.00	-	-	-	4,500,000.00
Apr-21	-	-	-	-	-
May-21	250,000.00	-	-	-	250,000.00
Jun-21	1,799,641.78	386,165,512.70	170.00	2,271,560.50	4,071,202.28
<b>Total (b)</b>	<b>20,410,293.40</b>	<b>663,680,092.83</b>	<b>179.50</b>	<b>3,697,453.47</b>	<b>24,107,746.87</b>
SBY2021					
Jul-21	1,971,642.00	-	-	-	1,971,642.00
Aug-21	-	-	-	-	-
Sep-21	1,342,675.00	-	-	-	1,342,675.00
Oct-21	1,193,038.09	50,000,000.00	151.13	330,840.91	1,523,879.00
Nov-21	-	-	-	-	-



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ACTUAL GOL REMITTANCES TO NRF ESCROW ACCOUNTS						
DESCRIPTION/YEAR & MONTHS FY2020/2021	GOL REMITTANCES (USD) (A)	GOL REMITTANCES (LRD) (B)	MONTH-END CBL SELLING EXCHANGE RATES (C)	GOL REMITTANCES (EQUIVALENT USD) D=(B/C)	CONSOLIDATED GOL REMITTANCES (USD) E=(A+D)	
Dec-21	1,650,000.00	-	-	-	1,650,000.00	
<b>TOTAL</b>	<b>6,157,355.09</b>	<b>50,000,000.00</b>	<b>151.13</b>	<b>330,840.91</b>	<b>6,488,196.00</b>	
<b>FY2022</b>						
31-Jan-22	-	-	-	-	-	
28-Feb-22	1,155,736.06	118,424,811.25	153.55	771,238.89	1,926,974.95	
31-Mar-22	4,000,000.00	-	-	-	4,000,000.00	
30-Apr-22	2,500,000.00	-	-	-	2,500,000.00	
31-May-22	-	-	-	-	-	
30-Jun-22	2,400,000.00	504,906,628.71	151.50	3,332,725.82	5,732,725.82	
31-Jul-22	4,000,000.00	-	-	-	4,000,000.00	
31-Aug-22	3,000,000.00	-	-	-	3,000,000.00	
30-Sep-22	-	-	-	-	-	
31-Oct-22	-	-	-	-	-	
30-Nov-22	2,900,000.00	-	-	-	2,900,000.00	
31-Dec-22	55,000.00	-	-	-	2,885,742.00	
<b>TOTAL</b>	<b>20,010,736.06</b>	<b>623,331,439.96</b>	<b>89.89</b>	<b>6,934,706.71</b>	<b>26,945,442.77</b>	
<b>(B) Grand Total (a+b+c)</b>	<b>46,578,384.55</b>	<b>1,337,011,532.79</b>	<b>121.96</b>	<b>10,963,001.09</b>	<b>57,541,385.64</b>	
<b>Variance (A-B)</b>	<b>(1,473,458.06)</b>	<b>-</b>	<b>-</b>	<b>(2,865,539.60)</b>	<b>(4,338,997.66)</b>	



**ANNEXURE 3: PAYABLES DUE TO LPRC FROM NRF FY2020/2021 TO FY2022**

Payments Schedule of US\$0.05 cents to LPRC		Amount US\$	Amount US\$	Year
Total transferred by MFDP to NRF Escrow Account FY2018/2019		15,899,526		
Total transferred by MFDP to NRF Escrow Account ( FY 2019/2020)		12,106,014		
<b>Total</b>		<b>28,005,540</b>		
<b>Total Quantities (a)</b>		<b>93,351,800</b>	<b>4,667,590</b>	
<b>Receivable to LPRC-of US\$0.05 cents b=(a*0.05)</b>				
November 2018 ( 1st payment)		299,488		
December 2018 ( 2nd payment)		337,225		
January 2019 (3rd payment)		500,000		
April 2019 (5th & 6th payments)		241,175		
May 2019 (5th & 6th payments)		150,000		
May 2019 (5th & 6th payments) L\$ 28,222,000 @188.1451		150,000		
<b>Total payments to LPRC FY2018/2019 (c )</b>		<b>1,677,888</b>		Y-1 & 2
September 2019 (7th& 8th payments) L\$150,000,000 million @210.6599		712,048		
October 2019 (9th payment) L\$50,000000 @201.66		247,942		
November 2019 (10th payment) L\$100 million@201.66		495,884		
February 27,2020 (11th payment)		135,000		
<b>Total payments to LPRC FY 2019/2020 (d)</b>		<b>1,590,874</b>		
<b>Total Payments to LPRC FY 2018/2019 and 2019/2020 e=(c + d)</b>			<b>3,268,762</b>	
<b>Balance due to LPRC FY 2018/2019 and 2019/2020 f=(b - e)</b>			<b>1,398,828</b>	
<b>Payments due to LPRC FY 2020/2021</b>				
Total transferred by MFDP to NRF Escrow Account FY2020/2021 (9 months @30 Cents)		19,789,505		
Total transferred by MFDP to NRF Escrow Account FY 2020/2021 (3 months @ 25 Cents)		2,821,583		
<b>Total</b>		<b>22,611,088</b>		Y-3
<b>Total Quantities (g)</b>		<b>77,251,348</b>	<b>3,862,567</b>	
Receivable due to LPRC-of US\$0.05 cents h=(g*0.05)				
<b>Total Payments due to LPRC FY2020/2021 i=(f + h)</b>			<b>5,261,395</b>	
Actual Amount Due from LPRC to the NRF July 1, 2017 to June 30, 2018 per LPRC ML June 30,2021		6,688,227		



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Payments Schedule of US\$0.05 cents to LPRC			
	Amount US\$	Amount US\$	Year
Less: Amount withheld from LPRC to date per NRF F/S	400,000		
Actual Amount Due from LPRC to the NRF July 1, 2017 to June 30, 2018 (j)		6,288,227	
<b>Actual Balance Amount Due from LPRC to the NRF FY 2020/2021 k=(i - j)</b>		<b>-1,026,832</b>	
<b>Payments to LPRC SBY FY2021</b>			
Total transferred by MFDP to NRF Escrow Account Special Budget Year (SBY) Jul-Dec 2021	6,486,379		
<b>Total Quantities (l)</b>	25,945,517		
Payments due to LPRC-of US\$0.05 cents m=(l*0.05)		1,297,276	
<b>Grand Total Payments due to LPRC SBY2021 n=(k + m)</b>		<b>270,444</b>	Y-4
<b>Payments to LPRC FY2022</b>			
Total transferred by MFDP to NRF Escrow Jan-June 30, 2022	14,149,921		
<b>Total Quantities (o)</b>	56,599,683		
Arrears due to LPRC-of US\$0.05 cents p=(o*0.05)		2,829,984	
<b>Grand Total Payments due to LPRC FY 2022 q=(n + p)</b>		<b>3,100,428</b>	

**ANNEXURE 4: NON-WITHHOLDING AND REMITTANCE OF PERSONAL INCOME TAX (PIT)**

FY2020/2021	Total Gross Salary per Month	Income tax 10%
21-Jul-20	35,114.00	3,511.00
31-Aug-20	37,664.00	3,766.00
23-Sep-20	37,664.00	3,766.00
25-Oct-20	37,664.00	3,766.00
07-Nov-20	37,664.00	3,766.00
10-Dec-20	37,611.00	3,761.00
23-Jan-21	37,611.00	3,761.00
19-Feb-21	37,611.00	3,761.00
18-Mar-21	37,667.00	3,767.00
20-May-21	37,667.00	3,767.00
20-May-21	37,961.00	3,796.00



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FY2020/2021	Total Gross Salary per Month	Income tax 10%
18-Jun-21	37,961.00	3,796.00
<b>Total (a)</b>	<b>449,859.00</b>	<b>44,986.00</b>
<b>SBY 2021</b>		
21-Jul-21	37,961.00	3,796.00
1-Aug-21	37,961.00	3,796.00
1-Sep-21	38,723.00	3,872.00
20-Oct-21	38,723.00	3,872.00
22-Nov-21	38,523.00	3,852.00
16-Dec-21	38,750.00	3,875.00
<b>Total (b)</b>	<b>230,642.00</b>	<b>23,064.00</b>
<b>FY2022</b>		
20-Jan-22	38,850.00	3,885.00
18-Feb-22	39,200.00	3,920.00
22-Mar-22	39,200.00	3,920.00
22-Apr-22	42,128.50	4,212.85
20-May-22	47,913.50	4,791.35
21-Jun-22	51,036.00	5,103.60
21-Jul-22	48,480.00	4,848.00
17-Aug-22	46,200.00	4,620.00
20-Sep-22	47,700.00	4,770.00
20-Oct-22	47,700.00	4,770.00
25-Nov-22	47,150.00	4,715.00
14-Dec-22	47,150.00	4,715.00
<b>Total (c)</b>	<b>542,708.00</b>	<b>54,270.80</b>
<b>Grand Total (a+b+c)</b>	<b>1,223,209.00</b>	<b>122,320.80</b>



**ANNEXURE 5: TRANSACTIONS WITHOUT ADEQUATE REFERENCES AND SUPPORTING DOCUMENTS**

FY2020/2021					
No.	Date	Bank	Details	CHK #	Amount US\$
1	24-Jul-20	Global Bank-6662	CASH TRANSFER FROM NRF TO MOABEL	N/A	72,000.00
2	04-Jul-20	ECOBANK-3662 USD	REF : 000ARCH000000001 INTERFACE TRANSACTION	N/A	368,599.08
3	23-Jul-20	ECOBANK-3662 USD	REF : 000ARCH000000001 INTERFACE TRANSACTION: ATM	N/A	15,955.00
4	26-Aug-20	ECOBANK-3662 USD	REF : 000ARCH000000001 INTERFACE TRANSACTION:	N/A	98,000.00
5	19-Oct-20	UBA-L-498 USD	IQ OF NATIONAL CHQ IFO VOINJAMA QUARDU GBONDI DEVELOPMENT ASSOCIATION	N/A	5,353.45
6	09-Nov-20	Global Bank-6662	CASH FROM NRF TO FUTURE BUILDERS	N/A	83,073.88
7	07-May-21	UBA-L-498 USD	CDB NATIONAL ROAD FUND LOAN ACCOUNT IFO B & SONS	N/A	49,056.91
8	10-May-21	UBA-L-498 USD	LIQ OF NAT'L ROAD CHQ IFO FREEDOM PRINTING PRESS	N/A	51,019.20
	<b>Total (a)</b>				<b>743,057.52</b>
SBY2021					
1	09-Jul-21	UBA-541 USD	BWY payment for DSA trip to Buchanan & Rivercess	N/A	3,000.00
2	09-Jul-21	UBA-541 USD	Catering service for NRF	N/A	2,520.00
3	09-Jul-21	UBA-541 USD	BWY printing binding of 611 copies NRF reports	N/A	5,547.92
4	20-Jul-21	ECOBANK-3662 USD	REF: 000ARCH000000002 INTERFACE TRANSACTION	N/A	2,488.32
5	25-Aug-21	ECOBANK-3662 USD	REF: 000ARCH000000002 INTERFACE TRANSACTION: ATM	N/A	5,914.00
6	10-Nov-21	UBA-541 USD	Training needs assessment cost	N/A	6,000.00
7	11-Nov-21	UBA-541 USD	Reengineering consultancy fee IFO ODIC	N/A	2,919.15
8	11-Nov-21	UBA-541 USD	BWY NRF Souvenir cost	N/A	2,284.80
9	02-Dec-21	UBA-541 USD	BWY Payment for Professional services	N/A	36,000.00
10	09-Dec-21	UBA-541 USD	Clarence N Wilson DSA Tanzania Workshop 1484582112091221391484580 /2112	N/A	3,365.00
	<b>Total (b)</b>				<b>70,039.19</b>
FY2022					
1	13-Apr-22	UBA	BWY Risk Management consultancy Services	N/A	50,000.00
2	13-Apr-22	UBA	BWY Risk Management consultancy Services	N/A	65,000.00



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No.	Date	Bank	Details	CHK #	Amount US\$
3	25-May-22	UBA	BWY Risk for Media consultancy to Media Houses	N/A	10,350.00
4	25-May-22	UBA	BWY pmt to Matl Civil Society Union Media Consultancy	N/A	2,250.00
5	29-Jun-22	UBA	BWY GLOBAL News Network Inc consultancy pmt	N/A	4,140.00
6	01-Jul-22	UBA-L-498	IB/SDMC/RTGSLRLR/251063/Payment for publication co	N/A	1,535.00
7	21-Jul-22	UBA-L-499	TRF IFO SIDANI GROUP OF HOLDING INC	N/A	917,280.00
8	21-Jul-22	UBA-L-500	TRF IFO WEST AFRICA CONST	N/A	61,124.56
9	22-Jul-22	UBA-L-501	TO REGULARIZE PAST DUE OBLIGATIONS ON SSF/NRF LOAN REPAYMENT	N/A	300,000.00
10	28-Jul-22	UBA-L-502	TO LIQUIDATE CREDIT AGAINST POST-DATED INSTRUMENT/	N/A	1,300,000.00
11	28-Jul-22	UBA-L-503	TO LIQUIDATE CREDIT AGAINST POST -DATED INSTRUMEN	N/A	1,300,000.00
12	29-Jul-22	UBA-L-504	TO LIQUIDATE JULY 8, 2021 CREDIT AGAINST POST-DATE INSTRUMENT/INSTRUCTION	N/A	264,571.65
13	15-Aug-22	UBA-L-506	PARTIAL LIQUIDATION OF NRF / GOL CREDIT AGAINST POSTDATED INSTRUMENT INSTRUC	N/A	794,000.00
14	18-Aug-22		BWY updating of NRF books for 39 months	N/A	4,050.00
15	08-Sep-22	UBA	BWT PMT for NRF Act Amendment by Legislature	N/A	27,900.00
16	08-Sep-22	UBA-L-508	IB/SDMC/RTGSLRLR/299482/P MT for jingles for Road Works	N/A	4,460.00
17	16-Sep-22	UBA-L-509	BWY Bal PMT for NRF Act amendment	N/A	3,000.00
18	28-Sep-22	UBA-L-510	IB/SDMC/RTGSLRLR/301261/P MT FOR COMPLIANCE TECHN	N/A	23,062.28
19	28-Sep-22	UBA-L-511	IB/SDMC/RTGSLRLR/301263/P MT FOR RAP FUEL	N/A	2,281.00
20	24-Oct-22	UBA	BWY PMT for NRF Act amendment IPCLL 00221 NO 1	N/A	64,608.59
21	05-Dec-22	UBA	HARVARD EDUCATORS (PROPRIETARY)	N/A	24,500.00
	<b>Total (c)</b>				<b>5,224,113.08</b>
	<b>Grand Total (a+b+c) (USD)</b>				<b>6,037,209.79</b>
FY2020/2021					
1	28-Jul-20	ECOBANK-301 LRD	REF : 000ARCH000000001 INTERFACE TRANSACTION: ATM	N/A	220,000.00



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No.	Date	Bank	Details	Amount US\$
2	26-May-21	ECOBANK-301 LRD	REF : 000ARCH000000002 INTERFACE TRANSACTION: ATM	620,460.00
<b>Total (a) (LRD)</b>				<b>840,460.00</b>
SBY2021				
	22-Jul-21	ECOBANK-301 LRD	REF: 000ARCH000000002 INTERFACE TRANSACTION: ATM	29,400,000.00
<b>Total (b) (LRD)</b>				<b>29,400,000.00</b>
<b>Grand Total (a+b+c) (LRD)</b>				<b>30,240,460.00</b>

**ANNEXURE 6: GENERAL LEDGERS FIGURES NOT RECONCILED TO FINANCIAL STATEMENTS FIGURES**

FY2020/2021				
Description	Financial Statement Amt. US\$ (A)	General Ledger Amt. US\$ (B)	Variance US\$ C=(A-B)	
Office materials, Consumables & Services	58,569.00	60,572.12	-2,003.12	
Transferred to Ministry of Public Works for Administrative Operation support (Appropriation)	430,000.00	445,924.80	-15,924.80	
Support Activities	432,612.00	663,814.00	-231,202.00	
<b>Total</b>	<b>921,181.00</b>	<b>1,170,310.92</b>	<b>-249,129.92</b>	
SBY2021				
General Rehabilitation	3,790,954.00	3,478,845.04	312,108.96	
Rehabilitation Consultancy	-00	59,207.09	-59,207.09	
GOL RAP Payments	-00	235,063.09	-235,063.09	
Periodic Maintenance Primary Laterite Roads	-00	619,886.78	-619,886.78	
Periodic Maintenance of Urban Roads	2,472,038.00	1,133,531.73	1,338,506.27	
PERIODIC MAINTENANCE OF LATERITE SECONDARY & FEEDER ROADS	-00	718,758.06	-718,758.06	
Bridge Maintenance Works (Routine and Periodic)	543,640.00	301,502.51	242,137.49	
CBO ROUTINE MAINT. PROGRAM FUNDED GOL. (OLD & NEW) USD	64,723.00	43,213.67	21,509.33	
Support Activities Road-Safety Solar Lights	526,759.00	445,754.07	81,004.93	
<b>Total</b>	<b>7,398,114.00</b>	<b>7,035,762.04</b>	<b>362,351.96</b>	



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<b>FY2020/2021</b>				
<b>Description</b>		<b>Financial Statement Amt. US\$ (A)</b>	<b>General Ledger Amt. US\$ (B)</b>	<b>Variance US\$ C=(A-B)</b>
<b>FY2022</b>				
	Wages & Salaries	583,249.56	586,274.56	-3,025.00
	Transferred to Ministry of Public Works	345,000.00	287,286.68	57,713.32
	GOL RAP Payments	839,861.35	1,155,902.92	-316,041.57
	Primary Road Counterpart Funding Payments	498,844.57	500,116.13	-1,271.56
	RAP Counterpart Funding	316,041.58	-00	316,041.58
	Loan principal plus Interest Payment (UBALL-Marshall Road)	1,472,517.77	2,853,371.92	-1,380,854.15
	Loan Repayment (NRF ongoing works)	1,381,969.56	-00	1,381,969.56
	<b>TOTAL</b>	<b>5,437,484.39</b>	<b>5,382,952.21</b>	<b>54,532.18</b>
	<b>Grand total</b>	<b>13,756,779.39</b>	<b>13,589,025.17</b>	<b>167,754.22</b>

**ANNEXURE 7: DUPLICATE TRANSACTIONS IN THE GENERAL LEDGER**

<b>No.</b>	<b>VOUCHER DATE</b>	<b>PAYEE</b>	<b>CHECK #</b>	<b>BANK</b>	<b>Description</b>	<b>Amount US\$</b>	<b>DUPLICATE</b>
1	22-Jul-21	NATIONAL RESOURCES DEV CORP	790087	UBA LOAN	bal of 2nd pmt for 100% completion of contract # MPW-S-0008-18/19 for research consultancy	17,885.00	Duplicate Transaction
2	2-Jul-21	Sidani Group holding Inc	790191	UBA LOAN	Payment Tto Sidani Group holding Inc for Periodic maintenance of Feeder roads under contract number MPW-EW-003-20/21 for emergency works	242,128.79	Duplicate Transaction; The contract #: MPW-EW-003-20/21 belong to Geoskope Ltd. Rather than Sidani Group holding Inc
3	01-Dec-21	Yequeleleh District United	844209	UBA LOAN	NRF IFO Yeapulkiema Development	6,329.58	Duplicate Transaction
4	01-Dec-21	Voinjama Quardu	844203	UBA LOAN	Voinjama Quardu Gbondi Dist.	10,706.89	Duplicate Transaction



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No.	VOUCHER DATE	PAYEE	CHECK #	BANK	Description	Amount US\$	DUPLICATE
5	14-Dec-21	Yequeleleh District United	844212	UBA LOAN	Pmt to Yequeleleh District United...for six months routine maintenance of road (Feb - July 2021)	4,480.03	Duplicate Transaction
6	16-Dec-21	Yequeleleh District United	844212	UBA LOAN	Pmt to Yequeleleh District Development ...for six months routine maintenance of road (Feb -July 2021)	4,480.03	Duplicate Transaction
7	16-Dec-21	Voinjama Quardu Gbondi Dist.	844203	UBA LOAN	being pmt for six months routine maintenance of road (Feb -July 2021)	10,706.89	Duplicate Transaction
8	16-Dec-21	Yequeleleh District United	844209	UBA LOAN	being pmt to Yeapulkiema for six months routine maintenance of road (Feb -July 2021)	6,329.58	Duplicate Transaction
9	02-Jul-21	Sidani Group holding Inc	790191	UBA LOAN	Payment for Periodic maintenance of Feeder roads under contract number MPW-EW-003-20/21 for emergency works	242,128.79	Duplicate Transaction; The contract #:MPW-EW-003-20/21 belong to Geoskope Ltd. Rather than Sidani Group holding Inc
10	22-Jul-21	NATIONAL RESOURCES DEV CORP	790087	UBA LOAN	bal of 2nd pmt for 100% completion of contract # MPW-S-0008-18/19 for research consultancy	17,885.00	Duplicate Transaction
	<b>Total</b>					<b>563,060.58</b>	

**ANNEXURE 8 : VARIANCE IN TRANSFER AMOUNT TO MINISTRY OF PUBLIC WORKS**

FY2020/2021 (Financial Statements)		AMOUNT US\$
Description		
1	Financial Statements (Note 9)-Transfer to MPW for Administrative and Operational support	430,000.00
<b>FY2022</b>		
1	Financial Statements (Note 9)- Transfer to MPW for Administrative and Operational support	345,000.00



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<b>Grand Total (A)</b>							<b>775,000.00</b>
<b>FY2020/2021 (Bank Statements)</b>							
<b>No.</b>	<b>VOUCHER DATE</b>	<b>VOUCHER/C K #</b>	<b>PAYEE</b>	<b>BANK</b>	<b>Description</b>	<b>AMOUNT US\$</b>	
1	22-Dec-20	113	MPW	CBL	Payment for partial operational Expense for MPW first quarter allotment FY 20/21	200,000.00	
2	18-Feb-21	748786	MPW	UBA Loan	3% pmt against budgeted allotment of 1m	30,000.00	
3	03-May-21	748796	MPW	UBA Loan	Payment to MPW	181,367.80	
<b>Total (a)</b>						<b>411,367.80</b>	
<b>FY2022</b>							
1	21-Jul-22	329	MPW	ECOBANK LRD	PAYMENT FOR MONITORING AND SUPERVISING ROAD WORK PROJECTS "REQUEST AMOUNT IN USD 72,500 @151.55=10,987,375	72,500.00	
2	21-Jul-22	330	MPW	ECOBANK LRD	PAYMENT FOR MONITORING AND SUPERVISING ROAD WORK PROJECTS "REQUEST AMOUNT IN USD 172500@151.55=26,142,375	172,500.00	
3	20-Jun-22	245313	MPW	UBA MAINT. LRD	PAYMENT FOR THE PURCHASES OF FUEL (7,000.00) GALLONS OF DIESEL FUEL SUPPLIED TO MPW AS SUPPORTS AMOUNT IN USD 41414.13@151.55= 6,276,312.24	41,414.14	
<b>Total (b)</b>						<b>286,414.14</b>	
<b>Grand Total (a + b) (B)</b>						<b>697,781.94</b>	
<b>Variance (A-B)</b>						<b>77,218.06</b>	

**ANNEXURE 9: SPENDING IN EXCESS OF APPROVED BUDGET**

<b>FY2020/2021</b>		
<b>Date</b>	<b>BANK</b>	<b>Description</b>
<b>Corporate Social Responsibility</b>		
21-Apr-21	UBA-L	PMT BEEVER COMPANY FROM NATIONAL ROAD FUND LOAN AC, CK#00790188 FOR THE PURCHASE OF
		14,700.00



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FY2020/2021			
Date	BANK	Description	Debit
<b>Corporate Social Responsibility</b>			
		45KVA GENERATOR FOR LIBERIA BASKETBALL FEDERATION	
<b>Sub-total (a)</b>			<b>14,700.00</b>
<b>Road Safety ( Street Lighting)</b>			
24-Nov-20	LBDI 902	Advance payment to ELOCEAN Group of Companies under contract #: MPW-W-0038-19/20 for the supply, installation, and maintenance of solar street light in Monrovia	38,400.00
24-Nov-20	LBDI 902	Payment of withholding tax IRO Advance payment to ELOCEAN Group of Companies under contract #: MPW-W-0038-19/20 for the supply, installation, and maintenance of solar street light in Monrovia	1,600.00
17-Jun-21	UBA LOAN	balance advance pmt for the supply, installation and maintenance of solar street light	93,326.74
21-Aug-20	ECOBANK USD	Payment is for the first supply and delivery of materials for pavement marking and road signage preparation from Sethi Brothers Incorporated under contract #MPW-G-001/19/20 Lots 1&2	11,760.00
04-Feb-21	IB	CK FROM CLEARING PAID TO ELOCEAN GROUP OF COMPANIES FEB 3 2021 trans#2364 Trf 7	48,000.00
27-Apr-21	UBA -ADMIN	pmt for catering services during MOT Road Safety Awareness program	2,400.00
07-May-21	UBA Loan	PMT IFO Freedom Printing press for printing of road safety materials.	51,019.20
10-May-21	UBA Loan	pmt for the servicing of motorcycles used by wardens	2,496.00
01-Jun-21	UBA Loan	pmt for the procurement enhanced road safety gear	9,480.00
01-Jun-21	UBA Loan	honorarium to road safety workshop attendance	5,000.00
<b>Sub-total (b)</b>			<b>263,481.94</b>
<b>Total (a+ b) FY2020/2021</b>			<b>278,181.94</b>
<b>SBY2021</b>			
<b>Community Outreach and Engagement (MIA)</b>			
16-Dec-21	UBA Maint. LRD	60% Payment to DESIGN TECH AND COMMUNICATION on execution of community engagements and public awareness for NRF 11,558,700 @172.12, CK# 00177581	67,154.89
04-Oct-21	UBA Loan CK# 00844002	being 1st (90%) pmt to Fidelity Solution Inc for under contract#LR-MOC/NRF-01-FIRMS for awareness creation and sensitization of small and medium enterprise	129,600.00
<b>Total SBY2021</b>			<b>196,754.89</b>
<b>FY2022</b>			
<b>Corporate Social Responsibility</b>			
5-May-22	UBA LOAN	COMPLETION OF SEVERAL PROJECT BEING FUNDED BY NRF UNDER COOPERATE SOCIAL RESPONSIBILITY	98,862.00



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FY2020/2021			
Date	BANK	Description	Debit
<b>Corporate Social Responsibility</b>			
		(TRF IFO BMC GROUP on CK #: 00844321)	
5-May-22	UBA LOAN	PAYMENT FUNDED BY NRF AS ITS CORPERATE RESPONSIBILITY PMT INVINCIBLE ELEVEN on CK #: 844322	10,000.00
23-May-22	UBA LOAN	PAYMENT MADE TO MEDIA CONSULTANCY SERVICES PERFORMED BY NATIONAL CIVIL SOCIETY UNION OF LIBERIA	2,250.00
23-May-22	UBA LOAN	PAYMENT TO UNIVERSITY OF LIBERIA AS CONTRIBUTION TO THE CLASS PROJECT OF THE 102 GRADUATING CLASS	1,000.00
23-May-22	UBA LOAN	PAYMENT FOR THE SPONSORSHIP TO MISS EARTH LIBERIA 2022 AS SOCIAL CORPERATE RESPONSIBILITY	500.00
2-Jun-22	UBA LOAN	PAYMENT TO NATIONAL HANDBALL ASSOCIATION TO FACILITATE ITS MENS TEAM YOUTH AND JUNIOR UPCOMING INTERNATIONAL HANDBALL FEDERATION TROPHY TOURNAMENT	1,000.00
2-Jun-22	UBA LOAN	PAYMENT TO MONROVIA COLLEGE AND INDUSTRIAL TRAINING SCHOOL AS SOCIAL CORPERATE RESPONSIBILITIES FOR THE CONSTRUCTION OF ITS NEW CAMPUS NAT THE CORNER OF LYNCH AND CAREY STREET	1,000.00
13-Jun-22	UBA LOAN	PAYMENT FOR THE JUAH SARWEE MEMORIAL WELFARE INSTITUTE TO SUPPORT IT LIBRARY PROJECT	1,000.00
13-Jun-22	UBA LOAN	NRF Coporate Social Responsibility- Support to Anna Elizabeth Foundation.	2,500.00
15-Aug-22	UBA LOAN	WITHHOLDING TAX IFO FIDELITY SOLUTION.	5,400.00
<b>Sub-total (a)</b>			<b>123,512.00</b>
<b>Community Outreach and Engagement Awareness</b>			
14-Feb-22	LBDI SCRAMP	FINAL PAYMENT TO DESIGN TECH AND COMMUNICATION INC UNDER CONTRACT # MIA /CQS/001/2021. THIS IS COMMUNITY ENGAGEMENT AND PUBLIC AWARENESS ON THE NRF	18,000.00
14-Feb-22	LBDI SCRAMP	WITHHOLDING TAX SUPPLIER 10% DESIGN TECH AND COMMUNICATION	2,000.00
18-May-22	UBA LOAN	PAYMENT MADE FOR THE PUBLIC RELATIONSHIPS	5,000.00
23-May-22	UBA LOAN	WITHHOLDING TAX SUPPLIER 10% HOT PEPPER NEWSPAPER	1,150.00
17-Jun-22	UBA LOAN	PAYMENT TO URBAN PRINTING AND MEDIA SERVICES GROUP INC FOR THE PUBLICATION OF SPECIAL PERSONALITIES PERFORMANCES AND INSTITUTIONAL DEVELOPMENT ARMEP REPORTING FOR SPECIAL	450.00
29-Jun-22	UBA LOAN	GLOBAL NEW NETWORK INC FOR PUBLICATION CONSULTANCY	4,140.00
29-Jun-22	UBA LOAN	WITHHOLDING TAX SUPPLIER GLOBAL NEW NETWORK INC	460.00
15-Jul-22	UBA LOAN	PAYMENT MADE FOR THE MEDIA COVERAGE /JINGLE PRODUCTION AND AIRING (HOT FM 107.9)	855.00
8-Sep-22	UBA LOAN	PAYMENT TO ONE MEDIA AWARENESS FOR ONE YEAR PERIOD	4,460.00



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FY2020/2021			
Date	BANK	Description	Debit
<b>Corporate Social Responsibility</b>			
8-Sep-22	UBA LOAN	WITHHOLDING TAX SUPPLIER ONE MEDIA HOUSE	
1-Feb-22	LBDI MAINT. SECRAMP LRD	FINAL PAYMENT TO DESIGN TECH AND COMMUNICATION INC UNDER CONTRACT # MIA/CQS/001/2021. THIS FOR COMMUNITY ENGAGEMENT AND PUBLIC AWARENESS ON THE NRF (L#5527850.4) @ US\$151	495.00
1-Feb-22	LBDI MAINT. SECRAMP LRD	WITHHOLDING TAX SUPPLIER 10% DESIGN TECH AND COMMUNICATION INC (L#614205.6) @US\$151	36,608.28
10-Jun-22	UBA MAINT. LRD	PAYMENT TO TJ CONSULTANCY FOR THE PROVISION OF ROAD SAFETY TRAINING TO MOTOR CYCLISTS IN BONG AND NIMBA COUNTIES (L\$4,515,357.25) @US\$151	4,067.59
10-Jun-22	UBA MAINT. LRD	WITHHOLDING TAX SUPPLIER 10% TJ CONSULTANCY (L\$501706.36) @151	29,903.03
1-Jul-22	ECOBANK LRD	PAYMENT FOR THE PUBLICATION CONSULTANCY UNDER NRF/ARMEP/SP/LCS/002/22 10,000USD @151.55 1,515,500	3,322.56
1-Jul-22	ECOBANK LRD	WITHHOLDING TAX SUPPLIER 10% BERRY & GAYE GLOBAL INC (L\$151550) @US\$151	10,000.00
2-Jul-22	ECOBANK LRD	PAYMENT MADE FOR SMES AWARENESS TO MINISTRY OF COMMERCE (L\$2,076,264.9) @US\$151	1,003.64
2-Jul-22	ECOBANK LRD	WITHHOLDING TAX SUPPLIER 10% MINISTRY OF COMMERCE (L\$230696.1) @ US\$151.00	13,750.10
15-Apr-22	UBA LOAN	PMT TO RISK MANAGEMENT CONSULTANCY SERVICES FOR ROFESSIONAL RISK MANAGEMENT SERVICES	1,527.79
15-Apr-22	UBA LOAN	PMT TO RISK MANAGEMENT CONSULTANCY SERVICES FOR ROFESSIONAL RISK MANAGEMENT SERVICES	50,000.00
<b>Sub-total (b)</b>			65,000.00
<b>Total (a + b) FY2022</b>			<b>252,192.98</b>
			<b>375,704.98</b>
<b>Grand Amount US\$ (A) Yr1-2</b>			<b>850,641.82</b>
<b>Budgeted Amount US\$ (B)</b>			<b>525,000.00</b>
<b>Variance Amount US\$ C=(A-B)</b>			<b>325,641.82</b>



**ANNEXURE 10: NON-COMPETITIVE RECRUITMENTS OF CONSULTANTS**

FY2020/2021						Amount in US\$
Date	PAYEE	Check #	Description		Amount in US\$	
13-Jul-20	Liberia Institute of Science & Business Technology Inc	E-payment	Payment for data inputting and NRF staff training on the SAGE 300 software		6,750.00	
20-Aug-20	American Procurement Services	665618	Payment for national study on additional road user charging system		17,788.50	
7-Sep-20	Liberia Institute of Science & Business Technology Inc	E-payment by KSAMBOLA	Payment for sage data input and training of NRFO staff in SAGE software		3,375.00	
15-Sep-20	Trust Consult	1680	Payment for SAGE reinstallation, configuration, set up and maintenance		475.00	
09-Nov-20	Future Builders-Global Bank	E-Transfer	Cash from NRF to Future Builders		83,073.88	
17-Feb-21	Natural Resource Dev Corp-UBA LOAN	748781	balance 50% payment to Natural Resource Dev Corp for consultancy Ser vices		13,500.00	
1-Mar-21	All Bright	648388-UBA	Payment for NRF website development		3,528.00	
4-Mar-21	Trust Consult	E-transfer	for SAGE (ERP) training and refresher course for NRF Staff		2,000.00	
6-Apr-21	SAGE	E-payment	SAGE SA (PTY) LTD/SBZAZAJJ		2,435.00	
26-Apr-21	Global Tech International-UBA LOAN	790063	final pmt to Global Tech International for routine maintenance of Urban Drainages in and around Monrovia		16,226.33	
	<b>Total (a)</b>				<b>149,151.71</b>	
SBY2021						
Jul-21	Global ODIC	Direct transfer	35% pmt on invoice#002101 for review of NRF organization structure		3,143.70	
Sep-21	Global ODIC	etransfer# 99509/00836316	Pmt for consultancy -Business Re-engineering		2,919.15	
Nov-21	Global ODIC ODIC	e-transfer	Reengineering consultancy by ODIC		2,919.15	
Nov-21	Mohammed Swaray	e-transfer	Payment under the contract on training need assessment		6,000.00	
Dec-21	Expert Venture	e-transfer	Payment for professional services consultancy		36,000.00	
Dec-21	Mohammed Swaray	e-transfer	2week salary porated salary to consultant		900.00	
11-Nov-21	WUREH-WALTERS-WUREH LIB INC	836341	Being payment for the purchase SAGE software license		13,350.00	
10-Dec-21	Wureh Walters Wureh	875304	Payment for SAGE consultancy		4,032.00	
	<b>Total (b)</b>				<b>69,264.00</b>	



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FY2020/2021					Amount in US\$
Date	PAYEE	Check #	Description		
<b>FY2022</b>					
1-Feb-22	DESIGN TECH AND COMMUNICATION INC	LBDI MAINT. SECRAAMP LRD	FINAL PAYMENT TO DESIGN TECH AND COMMUNICATION INC UNDER CONTRACT # MIA/CQS/001/2021. THIS FOR COMMUNITY ENGAGEMENT AND PUBLIC AWARENESS ON THE NRF (L#5527850.4) @ US\$151		36,608.28
1-Feb-22	DESIGN TECH AND COMMUNICATION INC	LBDI MAINT. SECRAAMP LRD	WITHHOLDING TAX SUPPLIER 10% DESIGN TECH AND COMMUNICATION INC (L\$614205.6) @US\$151		4,067.59
7-Feb-22	JUST IN TIME GROUP OF COMPANIES	UBA LOAN	PAYMENT TO JUST IN TIME GROUP OF COMPANIES, the zone serial is [ 64].CK#00844193, FOR PRINTING OF BID DOCUMENTS		4,272.00
14-Feb-22	DESIGN TECH AND COMMUNICATION INC	LBDI SCRAAMP	FINAL PAYMENT TO DESIGN TECH AND COMMUNICATION INC UNDER CONTRACT # MIA /CQS/001/2021. THIS IS COMMUNITY ENGAGEMENT AND PUBLIC AWARENESS ON THE NRF		18,000.00
10-Mar-22	INFRASTRUCTURE & PROCUREMENT CONSULTANT LIBERIA LIMITED	UBA LOAN	Mar-2022 TRF IFO INFRASTRUCTURE AND PROCUREMENT CONSULTANTS, CK#844318		35,381.61
14-Mar-22	INFRASTRUCTURE & PROCUREMENT CONSULTANT LIBERIA LIMITED	UBA LOAN	BWY Withholding tax IFO Infrastructure procurement consultants		3,931.29
15-Apr-22	Risk Management Consultancy Services	UBA LOAN	PROFESSIONAL SERVICES RISK MANAGEMENT		50,000.00
15-Apr-22	Risk Management Consultancy Services	UBA LOAN	PROFESSIONAL SERVICES RISK MANAGEMENT		65,000.00
15-Apr-22	INFRASTRUCTURE & PROCUREMENT CONSULTANTS LIBERIA LIMITED	UBA LOAN	PAYMENT TO INFRASTRUCTURE & PROCUREMENT CONSULTANTS LIBERIA LIMITED FOR PROVIDING CONSULTANCY SERVICES FEASIBILITY STUDIES PROJECT DEVELOPMENT AND PRELIMINARY DESIGN FOR SELECTED ROAD PROJECTS IN LIBERIA IPCLL002-21		53,072.42
15-Apr-22	INFRASTRUCTURE & PROCUREMENT	UBA LOAN	WITHHOLDING TAX SUPPLIER INFRASTRUCTURE & PROCUREMENT CONSULTANTS LIBERIA LIMITED FOR CONSULTANCY		5,896.94



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FY2020/2021					Amount in US\$
Date	PAYEE	Check #	Description		
	CONSULTANTS LIBERIA LIMITED				
26-Apr-22	INFRASTRUCTURE & PROCRUEMENT CONSULTANT LIBERIA LIMITED	UBA LOAN	TRF IFO INFRASTRUCTURE PROCUREMENTS, CK# 00844325		53,072.42
5-May-22	BMC GROUP	UBA LOAN	COMPLETION OF SEVERAL PROJECT BEING FUNDED BY NRF UNDER COOPERATE SOCIAL RESPONSIBILITY (TRF IFO BMC GROUP on CK #: 00844321)		98,862.00
5-May-22	INVINCIBLE ELEVEN	UBA LOAN	PAYMENT FUNDED BY NRF AS ITS CORPORATE RESPONSIBILITY PMT INVINCIBLE ELEVEN on CK #: 844322		10,000.00
18-May-22	WUREH WALTER WUREH	UBA LOAN	PAYMENT TO WUREH WALTER WUREH AS PARTIAL PAYMENT FOR THE UPDATING OF SAGE THIS IS 50% OF BALANCE PMT IN THE AMOUNT OF 9,000USD		4,050.00
18-May-22	WUREH WALTER WUREH	UBA LOAN	WITHHOLDING TAX SUPPLIER WUREH WALTERS WUREH		450.00
18-May-22	Public Relations	UBA LOAN	PAYMENT MADE FOR THE PUBLIC RELATIONS		5,000.00
23-May-22	HOT PEPPER FOR MEDIA CONSULTANT SERVICES	UBA LOAN	PAYMENT TO HOT PEPPER FOR MEDIA CONSULTANT SERVICES PERFORMED TO PROMOTE NRF AND ITS ACTIVITIES		10,350.00
23-May-22	HOT PEPPER FOR MEDIA CONSULTANT SERVICES	UBA LOAN	PAYMENT FOR MEDIA CONSULTANCY SERVICES PERFORMED BY GLOBAL MEDIA AND MARKETING		4,500.00
23-May-22	NATIONAL CIVIL SOCIETY UNION OF LIBERIA	UBA LOAN	PAYMENT MADE TO MEDIA CONSULTANCY SERVICES PERFORMED BY NATIONAL CIVIL SOCIETY UNION OF LIBERIA		2,250.00
10-Jun-22	INFRASTRUCTURE & PROCRUEMENT CONSULTANTS LIBERIA LIMITED	UBA LOAN	WITHHOLDING TAX 10 INFRASTRUCTURE & PROCRUEMENT CONSULTANT LIBERIA LIMITED		3,020.96
13-Jun-22	INFRASTRUCTURE &	UBA MAINT. LRD	PAYMENT TO INFRASTRUCTURE & PROCRUEMENT CONSULTANT LIBERIA LIMITED FOR		27,478.54



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FY2020/2021					Amount in US\$
Date	PAYEE	Check #	Description		
	PROCUEMENT CONSULTANT LIBERIA LIMITED		PROVIDING CONSULTANCY SERVICES FEASIBILITY STUDIES PROJECT DEVELOPMENT UNDER CONTRACT #IPCLL02-21 AMENDMENT #01. TOTAL PAYMENT USD\$60,419.10 DUE TO LIMITED FUNDS WE PAID USD\$30,209.55 THIS BALANCE PAYMENT IS IN LRD CONVERTED @ 152.6103 (L\$4,149,259.64) @.151		
17-Jun-22	INFRASTRUCTURE & PROCUEMENT CONSULTANT LIBERIA LIMITED	UBA LOAN	TRF IFO INFRASTRUCTURE PROCUREMENT, CK# 00953465		27,188.60
22-Jun-22	INFRASTRUCTURE & PROCUEMENT CONSULTANT LIBERIA LIMITED	UBA LOAN	BWY withholding tax IFO INFRASTRUCTURE		3,020.96
29-Jun-22	GLOBAL NEW NETWORK INC	UBA LOAN	GLOBAL NEW NETWORK INC FOR PUBLICATION CONSULTANCY		4,140.00
20-Jul-22	FIDELITY SOLUTIONS INC	ECOBANK LRD/CHK333	PAYMENT MADE TO FIDELITY SOLUTIONS INC FOR SMES AWARENESS TO MINISTRY OF COMMERCE, REF: J01FTRQ222010011 FUNDS TRANSFER (L\$2,076,264.9) @US\$151		13,750.10
9-Sep-22	INFRASTRUCTURE AND PROCUEMENT CONS LIB LTD	ECOBANK LRD/ELR CHK754	2ND PAYMENT TO INFRASTRUCTURE AND PROCUEMENT CONS LIB LTD FOR PROVIDING CONSULTANCY SERVICES FEASIBILITY STUDIES PROJECT DEVELOPMENT AND DESIGNS FOR SELECTED ROADS (L\$11,990,706.1) at US\$151.00		79,408.65
21-Nov-22	HARVARD EDUCATORS (PROPRIETARY)	UBA LOAN	PAYMENT FOR REGISTRATION FEES SCHEDULED TO PARTICIPATE IN THE GENDER RESPONSIVE PLANNING AND BUDGETING TRAINING		24,500.00
7-Dec-22	CHRIS ELECTRICAL	UBA LOAN	PMT FROM NATIONAL ROAD IFO CHRIS ELECTRICAL CK# 98871		5,940.00
7-Dec-22	CHRIS ELECTRICAL	UBA LOAN	PMT FROM NATIONAL ROAD IFO CHRIS ELECTRICAL CK#:988710		90,000.00
	<b>Total (c)</b>				<b>743,212.36</b>
	<b>Grand Total (a + b + c)</b>				<b>961,628.07</b>



**ANNEXURE 11: NON-RETIREMENT OF FOREIGN TRAVEL DSA**

FY2020/2021			Description		Amount US\$
Date	Bank		Description		
20-May-21	UBA		Pmt for 2 round trip air ticket, CK#677979		3,918.72
21-May-21	UBA		DSA to participate in the seminar on Road Asset Management, CK#677983		3,442.00
21-May-21	UBA		DSA to participate in the seminar on Road Asset Management, CK#67984		2,685.00
22-May-21	transfer-UBA		Registration fees for training on Road Asset Management		2,400.00
	<b>Total (a)</b>				<b>12,445.72</b>
<b>SBY2021</b>					
04-Aug-21	transfer-UBA		DSA for trip to Sierra Leone for toll		685.00
04-Aug-21	transfer-UBA		DSA for Sierra Leone Travel		1,650.00
04-Aug-21	transfer-UBA		DSA for Sierra Leone Travel		1,135.00
04-Aug-21	transfer-UBA		DSA for Sierra Leone Travel		1,135.00
04-Aug-21	transfer-UBA		DSA for Sierra Leone Travel		685.00
04-Aug-21	transfer-UBA		pmt for 265 gallons fuel for Sierra Leone Travel		967.25
14-Sep-21	transfer-UBA		Being DSA reimbursement for two travels to Sierra Leone In the month of August		904.00
14-Sep-21	transfer-UBA		Being DSA reimbursement for a travel to Sierra Leone in August		452.00
09-Nov-21	transfer-UBA		Being payment to protocol officer for the expedition of passport process		500.00
10-Nov-21	transfer-GLOBANK		Being DSA pmt to participate in the 2021 Annual Road Convention in Tarzania		2,305.00
11-Nov-21	transfer-UBA		being DSA pmt to attend Financing of Road Negotiation meeting in South Africa		1,487.00
21-Sep-21	UBA LOAN		DSA for Sierra Leone Travel		675.00
22-Sep-21	UBA LOAN		DSA for Sierra Leone Travel		681.00
10-Nov-21	GLOBANK		Being DSA pmt to participate in the 2021 Annual Road Convention in Tarzania		2,680.90
10-Nov-21	UBA LOAN		Road Convention DSA		2,680.90
16-Nov-21	UBA LOAN		Foreign Travel DSA- Tanzania		3,365.00
17-Nov-21	UBA LOAN		Foreign Travel DSA- Tanzania		3,365.00
18-Nov-21	UBA LOAN		Foreign Travel DSA- Tanzania		3,365.00
30-Nov-21	GLOBANK		Being DSA pmt to participate in the 2021 Annual Road Convention in Tarzania		2,680.90
10-Nov-21	GLOBANK		being incidental pmt to team lead of participants in the 2021 Annual Road Convention in Tarzania		280.00
10-Nov-21	GLOBANK		being incidental pmt to team lead of participants in the 2021 Annual Road Convention in Tarzania		2,305.00
09-Dec-21	UBA LOAN		being pmt of registration fees for 6 participants of both regional seminar and workshop in Tarzania		7,500.00



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FY2020/2021			Amount US\$
Date	Bank	Description	
07-Sep-21	UBA Loan	Support Activities-Emergency Travel	3,000.00
06-Dec-21	UBA Loan	Payment for Liberian Delegates Air tickets ARC 2021	13,620.48
<b>Total (b)</b>			<b>58,104.43</b>
FY2022			
04-Feb-22	UBA LOAN	IMSC delegates DSA to Sierra Leone	4,563.00
23-Mar-22	UBA LOAN	PAYMENT TO WAHEGURU TRAVELS INC FOR THE PAYMENT OF PENALTIES ON TICKETS PURCHASED FOR THE LIBERIANS DELEGATIONS THAT PARTICIPATED IN THE 2021 ANNUAL ROAD CORRIDOR	4,145.28
07-Jul-22	UBA LOAN	PAYMENT FOR AIR TICKETS FOR ARMFA GENERAL ASSEMBLY	5,760.00
05-May-22	UBA LOAN	DSA TO PARTICIPATE IM THE 18TH GENERAL ASSEMBLY OF THE ARMFA	13,682.00
02-Dec-22	UBA LOAN	DSA FOR THE LIBERIA DELEGATION TO PARTICIPATE IN THE GENDER RESPONSIVE PLANNING AND BUDGETING TRAINING TO BE HELD IN SWAZILAND	25,410.00
02-Dec-22	UBA LOAN	PAYMENT FOR AIR TICKETS FOR LIBERIAN DELEGATION AT THE GENDER RESPONSIVE PLANNING AND BUDGETING TRAINING	16,752.12
<b>Total (c)</b>			<b>70,312.40</b>
<b>Grand Total (a + b + c)</b>			<b>140,862.55</b>

**ANNEXURE 12: PAYMENTS WITHOUT ADEQUATE SUPPORTING DOCUMENTS**

FY2020/2021			AMOUNT US\$
VOUCHER DATE	BANK	Description	
14-Jul-20	ECOBANK	Payment is made to Beaver Company Inc for a supplied of 45kva perkins diesel silencer generator	15,955.00
20-Aug-20	UBA Loan	Payment for national study on additional road user charging system, CK#665618	17,788.50
7-Sep-20	UBA	Payment to Liberia Institute of Science & Business Technology Inc for data inputting and NRF staff training on the SAGE 300 softwar	3,375.00
7-Sep-20	UBA	PMT FOR CHQ # 00665618, DEP IFO AMERICAN PROCUREMENT SERVICES	17,788.50
20-Oct-20	UBA LOAN	TRANSFER OF FUNDS TO THE PFMU FOR THE REMITTANCE TO THE LIBERIA SWEDISH FEEDER ROAD PROJECT	122,370.00
9-Nov-20	Global Bank	E-Transfer to Future Builders-	83,073.88



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18-Feb-21	UBA Loan	3% pmt against budgmt allotment of 1m to MPW on CK #748786	30,000.00
26-Apr-21	Global Tech International-UBA LOAN	final pmt to Global Tech International for routine maintenance of Urban Drainages in and around Monrovia, CK#790063	16,226.33
6-May-21	UBA Loan	Payment for assoted office supplies to facilitate various project undertaken by GOL.	2,707.00
10-May-21	UBA Loan	CHQ IFO FREEDOM PRINTING PRESS	51,019.20
	<b>Total (a)</b>		<b>360,303.41</b>
<b>SBY2021</b>			
02-Dec-21	UBA	Payment toExpert Venture for professional services consultancy	36,000.00
11-Nov-21	UBA	Being payment to WUREH-WALTERS-WUREH LIB INC for the purchase SAGE software license	13,350.00
06-Dec-21	UBA Loan	Payment for Liberian Delegates Air tickets ARC 2021	13,620.48
09-Nov-21	UBA Loan	Payment for fuel, replenishment of thumb cards.	1,302.73
28-Oct-21	Eco Bank LRD	Advance to pay recruited data collectors (enumerators) for M&E data collection PAID IN LRD	1,579.60
10-Sep-21	Global ODIC	Being pmt for consultancy -Business Re-engineering	2,919.15
10-Nov-21	GLOBANK	Being incidental pmt to team lead of participants in the 2021 Annual Road Convention in Tanzania	2,305.00
20-Jul-21	ECOBANK	Payment for printing, binding documents for Senate and legislature	2,488.32
02-Nov-21	UBA Loan	Withholding Tax IFO ELOCEAN for street lights	1,726.20
	<b>Total (b)</b>		<b>75,291.48</b>
<b>FY2022</b>			
07-Feb-22	UBA LOAN	PAYMENT FOR PRINTING OF BID DOCUMENTS	4,272.00
14-Feb-22	LBDI SCRAMP	FINAL PAYMENT TO DESIGN TECH AND COMMUNICATION INC UNDER CONTRACT # MJA /CQS/001/2021. THIS IS COMMUNITY ENGAGEMENT AND PUBLIC AWARENESS ON THE NRF	18,000.00
18-May-22	UBA LOAN	PAYMENT MADE FOR THE PUBLIC RELATIONSHIPS	5,000.00
29-Jun-22	UBA LOAN	GLOBAL NEW NETWORK INC FOR PUBLICATION CONSULTANCY	4,140.00
08-Sep-22	UBA LOAN	PAYMENT TO ONE MEDIA AWARENESS FOR ONE YEAR PERIOD	4,460.00
01-Feb-22	LBDI MAINT. SECRAAMP LRD	FINAL PAYMENT TO DESIGN TECH AND COMMUNICATION INC UNDER CONTRACT # MJA/CQS/001/2021. THIS FOR COMMUNITY ENGAGEMENT AND PUBLIC AWARENESS ON THE NRF (L#5527850.4) @ US\$151	36,608.28
01-Feb-22	LBDI MAINT. SECRAAMP LRD	WITHHOLDING TAX SUPPLIER 10% DESIGN TECH AND COMMUNICATION INC (L\$614205.6) @US\$151	4,067.59



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10-Jun-22	UBA MAINT. LRD	PAYMENT TO TJ CONSULTANCY FOR THE PROVISION OF ROAD SAFETY TRAINING TO MOTOR CYCLISTS IN BONG AND NIMBA COUNTIES (L\$4,515,357.25) @US\$151	29,903.03
01-Jul-22	ECOBANK LRD	PAYMENT FOR THE PUBLICATION CONSULTANCY UNDER NRF/ARMEP/SP/LCS/002/22 10,000USD @151.55 1,515,500	10,000.00
02-Jul-22	ECOBANK LRD	PAYMENT MADE FOR SMES AWARENESS TO MINISTRY OF COMMERCE (L\$2,076,264.9) @US\$151	13,750.10
05-May-22	UBA LOAN	PAYMENT FUNDED BY NRF AS ITS CORPORATE RESPONSIBILITY PMT INVINCIBLE ELEVEN on CK #: 844322	10,000.00
07-Dec-22	UBA LOAN	PMT FROM NATIONAL ROAD IFO CHRIST ELECTRICAL CK#:988710	90,000.00
15-Apr-22	UBA LOAN	PMT Risk Management Consultancy Services for PROFESSIONAL SERVICES RISK MANAGEMENT	50,000.00
15-Apr-22	UBA LOAN	PMT Risk Management Consultancy Services for PROFESSIONAL SERVICES RISK MANAGEMENT	65,000.00
	<b>Total (c)</b>		<b>345,201.00</b>
	<b>Grand Total (a + b + c)</b>		<b>780,795.89</b>

**ANNEXURE 13: IRREGULARITIES ASSOCIATED WITH PROCUREMENT MANAGEMENT**

FY2020/2021				
Voucher Date	Bank	Expenditure description	Amount (US\$)	Comment
25-Jan-21	UBA Loan	Payment (50%) to RIA Hotel Resorts-Farmington Hotel for lodging and feeding for delegates during the three days interactive working session held at Farmington Hotel from Jan 26-28, 2021 (Ck# 71048/ 48770)	11,245.50	No Contract, No procurement approval date, bid evaluation panel meeting report, no report, tax clearance along with the business entity
17-Feb-21	UBA Loan	Balance 50% payment to RIA Hotel Resorts-Farmington Hotel used by participants in the three days interactive working sessions (Ck#:1060/ 748782)	18,225.55	No quotations, procurement approval date, copy of check



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26-Apr-21	UBA Loan	PMT IFO Freedom Printing press for printing of road safety materials. (Ck #1688/ 790187)	51,019.20	No Contract, No tax clearance, business reg., purchase order, delivery note, procurement approval date,
01-Jun-21	UBA Loan	Pmt. for the procurement to enhance road safety gear (Ch #1704/ 790376)	9,480.00	No quotations, no contract
<b>SBY2021</b>			<b>89,970.25</b>	
22-Jul-21	UBA-LOAN-498	Bal of 2nd pmt for 100% completion of contract # MPW-S-0008-18/19 for research consultancy	17,885.00	No contract & Evaluation Report
16-Dec-21	UBA Maint. LRD	60% Payment on execution of community engagements and public awareness for NRF	67,154.89	No contract & Evaluation Report
23-Dec-21	EcoBank USD	COOPERATE SOCIAL RESPONSIBILITY (CONTRIBUTION TO LIBERIA CHESS FEDERATION TO PARTICIPATE IN THE CHESS WORLD CUP)	10,000.00	No contract, Quotation & Evaluation Report
09-Sep-21	UBA LOAN	Payment for Boulevard Hotel and Facilities	4,768.58	No Quotation
04-Oct-21	UBA LOAN	being 1st (90%) pmt to Fidelity Solution inc for under contract# LR-MOC/NRF-01-FIRMS for awareness creation and sensitization of small and medium enterprise	129,600.00	No contract & Evaluation Report
<b>FY2022</b>			<b>229,408.47</b>	
10-Jun-22	UBA MAINT. LRD	PAYMENT TO TJ CONSULTANCY FOR THE PROVISION OF ROAD SAFETY TRAINING TO MOTOR CYCLISTS IN BONG AND NIMBA COUNTIES (L\$4,515,357.25) @US\$151	29,903.03	No Quotation, Evaluation Report
05-Sep-22	ECOBANK LRD	2ND PAYMENT TO INFRASTRUCTURE AND PROCUREMENT CONS LIB LTD FOR PROVIDING CONSULTANCY SERVICES FEASIBILITY STUDIES PROJECT DEVELOPMENT AND DESIGNS FOR SELECTED ROADS (L\$11,990,706.1) at US\$151.00	79,408.65	No Evaluation Report & contract
20-Jan-22	UBA	Payment Made to Auto King For The Replacement of Faulty Tires On The NRF Managers Official Vehicles	18,532.00	No quotation and evaluation report



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23-May-22	UBA Loan	Payment to hot pepper for media consultant services performed to promote NRF and its activities	10,350.00	No contract & evaluation report
27-Sep-22	UBA	Payment to ELECTRO WORLD INC CK#00875299 for the supply and installation of six 6 new air conditioner and to service 5 used air conditioner	2,616.00	No quotation
Feb-22	UBA Loan	PAYMENT OF 50% PAYABLE TO WUREH WALTERS -WUREH FOR AN OUTPUT OF CONSIDERABLE VARIOUS ACCOUNTING REPORTS ON THE SAGE 300 SEPTEMBER INSTALLATIONS AN IMPLEMENTATIONS	6,365.80	No contract & evaluation report
08-Sep-22	UBA Loan	BWY PMT for NRF Act Amendment by Legislature	27,900.00	No Act Amendment, contract & evaluation report
16-Sep-22	UBA Loan	BWY Bal PMT for NRF Act amendment	3,000.00	No contract & evaluation report
	<b>Total (c )</b>		<b>178,075.48</b>	
	<b>Grand Total (a + b + c)</b>		<b>497,454.20</b>	

**ANNEXURE 14: NO EVIDENCE OF MONITORING AND SUPERVISION REPORTS**

No	Contractors	Description	Contract Amt (US\$)
1	SSF Entrepreneur Inc.	Rehabilitation of 12.5Km Primary Asphalt Road from the Madina - Robertsport Corridor, Grand Cape Mount County (MPW-W-0020-18/19. Addendum Lot 2)	7,751,823.64
2	S.S.F Entrepreneur	Pavement of the Marshall Road 21.5Km Secondary Asphalt Road, Margibi County	6,117,021.33
3	Quality Group of Construction Companies	Construction of Small Saint Michael - Garnersville Townhall - Patience Shop Road, 2.5Km Urban Asphalt Road, Montserrado County MPW-(W-0009-18/19. Lot # 6).	2,000,000.00
4	West Africa Construction Inc	Routine Maintenance of 104Km Primary Asphalt Road from Klay to Bo Waterside & Klay to Tubmanburg,Bomi & Grand Cape Mount Co (MPW-W-0040-21/22).	1,912,413.31
5	Desire Construction Company	Periodic Maintenance of Primary Laterite Roads as Lot#2, ITI Bridge to Greenville (130KM)	1,905,218.80
6	Zircon Industrial Engineering Inc.	Provision and installation of 1,200 pcs streetlights (including pedestals and all accessories, Montserrado County (MPW-W-0039-21/22)	1,792,712.94
7	East International Group	Periodic Maintenance of Voinjama to Konia (MPW-W-0058-21/22).	1,710,743.94



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No	Contractors	Description	Contract Amt (US\$)
8	Sidani Group Holding Inc.	Pavement and Upgrading of 2km Urban Chip Seal Road on Cestos City Streets, Rivercess County (MPW-W-0038-21/22)	1,565,066.63
9	ID	Periodic Maintenance of 71km Primary Laterite Road from Tappita to Zleeh Town, Nimba & Grand Gedeh Counties (MPW-W-0028-21/22)	1,249,132.10
10	JD Construction Company	Periodic Maintenance of 72km Primary Laterite Road from Joabo Town to Putuken Road, Grand Gedeh County (MPW-W-0053-21/22).	1,221,880.00
11	Jupiter Construction Inc.	Construction of the Grand Bassa Community College Bridge, 1 Bailey Bridge (Steel Trusses), Grand Bassa County (MPW-W-0033-21/22)	1,150,000.69
12	West Africa Construction Inc	Routine Maintenance of Clay to Bo Waterside & Clay to Tubmanburg	1,067,338.51
13	West Africa Construction Incorporated	Chip Seal Pavement of certain section of Greenville, Sinoe County 2.1Km	1,067,338.51
14	Geoskope Ltd.	Periodic Maintenance of Brewerville to Compoundu,	988,280.77
15	SIDANI Group of Holding INC	Rehabilitation of Feeder Road from Palata to Zowieta Town (29.3KM), Bong County	988,280.77
16	Arrow Group LLC	Dakota to Kolleh Bridge (130ft Bailey Bridge Rehabilitation/ Maintenance, Gbapolu County (MPW-W-0024-21/22).	968,957.00
17	S.S.F Entrepreneur	Chip Seal Pavement of certain section of Barclayville, Grand Kru County 2.5Km	923,259.63
18	ITSACOM Polyroads Ltd.	Poly Seal pavement of LIPA Access Road, Doema Town (1.5Km Polymer Seal Feeder Road), Margibi County	911,034.83
19	YSM Incorporated	Pavement of some streets in Bopolu city (2.9Km Urban Chip Seal Road)	900,000.00
20	SIDANI Group of Holding INC	Asphalt Payment of Gbarnga Broad Street (1.0KM)	800,000.00
21	Geoskope Ltd.	Emergency spots repairs along the Swen Mecca Road corridor.	800,000.00
22	JD Construction Company	Periodic Maintenance of Primary Laterite Roads in Margibi; Kakata-Worhn Township, Division#44-10Doll- Firestone/Kakata District Boundary, Darkor-Massaquoi (75.17KM)	680,308.00
23	B & SON Transport and Construction Company	Periodic Maintenance of Primary Laterite Roads in Nimba; Zekenpa-Tappita	666,860.25
24	Afro Construction Company	Construction of RC Bridge and a Double Cell box Culvert, Lofa County (MPW-W-0050-21/22)	599,117.39
25	New Millennium Engineering & Construction	Periodic Maintenance of 19.5km Secondary Laterite Road from Forquelleh to Harvey Town (MPW-W-0034-21/22)	534,707.70
26	SSF Entrepreneur Inc	Emergency repair of Tubmanburg - Bopolu Road corridor.	455,266.80
27	MOABEL INC.	Rehabilitation of Feeder Road from King's Farm to Zeawho Town (29.3KM), Margibi	455,266.80



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No	Contractors	Description	Contract Amt (US\$)
		County	
28	INMACO Trading Inc	Periodic Maintenance of 65km Secondary Laterite Road from Doe Estate to Graceland, Margibi & Motserrado Counties (MPW-W-0031-21/22)	418,426.07
29	New Millennium Engineering and Construction Company	Periodic Maintenance of Laterite Roads in Bong County as Lot#2; Garyea-Gbanlata & Kollila-Palala	354,866.06
30	DAB Construction Company	Periodic Maintenance of 3.2km Secondary Laterite Road from Zorgowee to Dulay Road, Nimba County (MPW-W-0027-21/22)	328,815.77
31	Chen Liberia Enterprise	Routine Maintenance of 66km Primary Laterite Road from Karloken to Harper and Harper Junction to Cavalla Roads, Maryland County (MPW-W-0022-21/22)	280,386.65
32	SIDANI Group Holding Inc.	Emergency repair of Cestos Junction - Cestos City Road (32.5km Primary Laterite Road) in Rivercess County (MPW-EW-002-20/22)	245,138.00
33	Quality Group of Construction Companies	Bridge Rehabilitation & Maintenance/Spot Improvement Works	230,977.23
34	Atlantic Engineering & Construction	Periodic Maintenance of 13km Primary Laterite Road from Voinjama to Kugbimai Road, Lofa County (MPW-W-0026-21/22)	173,340.56
35	ELOCEAN Group of Companies	Supply & delivery (10sets Traffic & Pedestrian crosswalk lights) of pedestrian crosswalk light and traffic lights in Monrovia and its environs, Montserrado County (MPW-S-0003-18/19 ADDENDUM).	47,950.00
	<b>Total</b>		<b>43,261,930.68</b>

**ANNEXURE 15: PAYMENTS WITHOUT CONTRACTS, BILL OF QUANTITIES (BOQS) AND SPECIFICATIONS  
FY2020/2021**

No	Project Name	Contract Number	Contractor	Contract Value US\$	Amount Paid US\$
1	Emergency intervention of Bend & Stop, Barnersville Road (supply of asphalt)-1km Asphalt - Urban Road in Montserrado County	MPW-W-0002-20/21	Sidani Group of Holding Inc.	100,000.00	100,000.00
2	Periodic Maintenance of Johnson Street to Saint Paul Bridge-9km Asphalt - Urban Road in Montserrado County	MPW-W-0035-19/20, Lot 4	JLN International	1,801,342.53	1,801,342.53



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No	Project Name	Contract Number	Contractor	Contract Value US\$	Amount Paid US\$	
3	Construction of ELWA Rehab Community Road 5.5km Concrete – Urban Road in Montserrado County	MPW-W-0006-18/19. Lot # 4	Solid Rock / Cement and Steel Partnership	4,000,000.00	4,000,000.00	
4	Periodic maintenance of ITI Bridge to Greenville Road Corridor 130Km Primary Laterite Road in Sinoe County	MPW-W-0034-19/20 Lot 2	Desire Construction Company	1,905,218.80	1,324,993.07	
5	Emergency repairs of Wolubah /Sekou Village - Voinjama Road Corridor 62Km Primary Laterite Road in Lofa County.	MPW-0003-20/21	Desire Construction Company	124,550.00	118,322.50	
6	Construction of Duazon Sand Beach Road (1.7km), Sophie Road (1.35km) & Soul Clinic Road (4.2km) 7.25Km Urban Asphalt Road in Montserrado County	MPW-W-0020-18/19. Lot # 2. Phase 1 MOU	SSF Entrepreneur Inc.	4,773,483.26	2,148,067.38	
7	Extension of alleyways of the Marshall Road 1.61Km Urban Asphalt Road in Margibi County	MPW-W-013-15/16 Addendum	SSF Entrepreneur Incorporated	611,702.13	305,851.00	
8	Pavement of some streets in Barclayville City 2.5Km Urban Chip Seal Road in Grand Kru County	MPW-W-0026-19/20. Lot # 2	SSF Entrepreneur	923,259.63	605,770.00	
9	Construction of the Dry Rice Market to Johnsonville Road 6.1Km Secondary Asphalt Road in Montserrado County.	MPW-W-0018-18/19.	China Chongging International	9,665,508.50	3,882,927.98	
10	Periodic Maintenance of the Ganta - Zwedru Road 221.4Km Primary Laterite Road in Nimba & Grand Gedeh Counties	MPW-W-008-15/16	China Henan International Cooperation	6,537,425.00	1,000,000.00	
11	Periodic maintenance of Garyea – Gbanlata road and Kolila – Palila road 37Km Laterite Feeder Road in Bong County	MPW-W-0030-19/20 Lot 2	New Millennium Engineering & Construction Com	354,866.06	205,717.47	
	<b>Total (a)</b>			<b>30,797,355.91</b>	<b>15,492,991.93</b>	
SBY 2021						
1	Construction of Pipeline Road in Paynesville, 6.5Km Urban Asphalt Road, Montserrado County	MPW-W-0008-18/19 - Lot # 3	MDMC Express Inc.	6,419,016.00	5,800,000.00	
2	3.9Km Urban Asphalt Road, Extension of ELWA Rehab Road (2.7km) and construction of Kailondo Key Hole Road (1.2km) Montserrado County	MPW-W-0023-19/20, Lot # 5 Addendum	Sidani Group of Holding	3,120,000.00	2,496,000.00	



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No	Project Name	Contract Number	Contractor	Contract Value US\$	Amount Paid US\$
3	1.24Km Urban Asphalt Road, Extension of Arch Bishop Michael Francis Road (500m) and Voker Mission Road (700m), Montserrado County	MPW-W-0005-18/19. Lot # 2 Addendum	West Africa Construction Inc	876,243.38	175,248.00
4	Supply & delivery of pedestrian crosswalk light and traffic lights in Monrovia and its environs, Montserrado County (10sets Traffic & Pedestrian crosswalk lights)	MPW-S-0003-18/19 ADDENDUM	ELOCEAN Group of Companies	47,950.00	43,155.00
5	Cleaning of urban drainage & installation of culverts, Montserrado County	MPW-W-0037-19/20	JLN International	270,584.48	202,938.36
6	Periodic Maintenance of roads 10,000 Sq.m (2Km) Urban Asphalt Roads in Caldwell, Bushrod Island, Barmersville, New Kru Town, Momboe Town, New Georgia	MPW-W-0045-19/20 Lot 3	Solid Rock / Cement and Steel Partnership	543,000.00	296,195.70
7	Periodic Maintenance of 10,000 Sq.m (2Km) Urban Asphalt Roads, S.K.D Boulevard, Fiamah, Jallah Town, Airfield, Old Road and Neezoe, Montserrado County	MPW-W-0000-20/21 Lot 5	BK Enterprise Inc.	641,330.00	369,667.02
8	Periodic Maintenance of Clay-Ashland to Brewerville Bridge (55ft. Reinforced Concrete Bridge), Montserrado County	MPW-W-0000-20/21 Lot # 1	Future Builders & Investment Company	269,108.82	84,769.27
9	Periodic Maintenance of Massaquoi Town Bridge.	MPW-W-0032-19/20 Lot # 3	Future Builders & Investment Company	292,947.42	92,278.43
10	Periodic Maintenance of Bentol Bridge and Box Culvert, (R. Concrete Bridge & Box culvert)	MPW-W-0033-19/20 Lot # 2	Arrow Group LLC	368,062.26	356,481.45
11	Periodic Maintenance of Monrovia Central Business District. Montserrado County	MPW-W-0044-19/20 Lot # 2	SIDANI Group Holding	653,880.00	564,907.13
12	10,000 Sq.m (2Km) Urban Asphalt Roads Pavement of the Bonjal Trucks Parking Place, Montserrado County	MPW-W-042-20/21	Sidani Group of Holding	246,720.46	123,360.23
13	Periodic Maintenance of 75.17Km Laterite Feeder Road Kakata - Worhn Township Road, Division # 44 - 10 Doll - Firestone Road (Kakata Dist Boundary) and Darkor - Massaquoi road, Margibi County	MPW-W-0039-19/20	JD Construction Company	680,308.00	204,092.40



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FY2020/2021						
No	Project Name	Contract Number	Contractor	Contract Value US\$	Amount Paid US\$	
14	27.2Km Secondary Laterite Roads OF Periodic Maintenance of the Kpomai to Zolowo road and Kolahun to Vahun road, Lofa County	MPW-W-0041-19/20. Lot 7	West Africa Construction Inc	698,157.60	209,447.00	
15	Sass Town Bridge (Concrete - Bridge) Rehabilitation, Grand Kru County	MPW-W-0030-18/19.	Quality Group of Construction Companies	230,977.23	106,248.74	
16	2.9Km Urban Chip Seal Road Pavement of some streets in Bopolu city, Gbapolu County	MPW-W-0028-18/ 20. Lot # 3	YSM Incorporated	900,000.00	559,947.95	
17	Periodic maintenance of 29.3Km Gravel Feeder Road, Palala to Zowieta Town Road, Bong County	MPW-W-0024-19/20	Sidani Group of Holding	1,043,146.27	944,317.66	
	Total (b)			17,301,431.92	12,629,054.34	
FY2022						
1	0.67km Asphalt – Urban Road, Asphalt pavement of the Kendeja Beach Road, Montserrado	MPW-W-0044-21/22	Sidani Group of Holding	248,785.50	248,785.50	
2	Asphalt pavement 3,004.56 sq m Asphalt Urban Road and drainage repairs within the Ministry of Public Works Compound,	MPW-W-0045-21/22	Sidani Group of Holding	101,493.16	101,493.16	
3	Periodic Maintenance of the Kissi Camp Community, 375km Asphalt - Urban Road - GSA Road, Montserrado County	MPW-W-0053-21/22	Sidani Group of Holding	180,928.75	180,928.75	
4	Periodic Maintenance of 71Km Primary Laterite Road Tappita to Zleh Town, Nimba & Grand Gedeh Co.	MPW-W-0028-21/22	Desire Construction Company	1,249,132.10	249,826.42	
5	Rehabilitation of the 12.5Km Primary Asphalt Road Madina - Robertsport Corridor Grand Cape Mount County	MPW-W-0020-18/19. Adden-dum Lot 2	SSF Entrepreneur Inc.	7,751,823.64	2,325,547.09	
6	Pavement of 1.5Km Secondary Asphalt Road the Marshall Road, Margibi County	MPW-W-013-15/16 Revised	SSF Entrepreneur Incorporated	6,117,021.33	5,000,000.00	
7	Periodic Maintenance of 63Km Primary Laterite Road Voinjama to Foya Road, Lofa County	MPW-W-041-21/22. Lot 13	SSF Entrepreneur	961,262.53	326,231.98	
8	Periodic Maintenance of 19.5Km Secondary Laterite Road-Forquelleh to Harvey Town, Bong County	MPW-W-0034-21/22	New Millennium Engineering & Construction	534,707.70	106,941.54	



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FY2020/2021					
No	Project Name	Contract Number	Contractor	Contract Value US\$	Amount Paid US\$
9	Periodic Maintenance of 49Km Primary Laterite Road Salayea to Konia, Lofa County	MPW-W-0035-21/22	New Millennium	695,255.00	139,051.00
10	Provision and installation of streetlights (including pedestals and all accessories). Montserrado County	MPW-W-0039-21/22	Zircon Industrial Engineering Inc.	1,792,712.94	741,873.61
11	Emergency pavement of New Matadi Fante Town Road, Montserrado County	MPW-ER-0015-22	West Africa Construction Inc	90,000.00	90,000.00
12	Feasibility Studies on project development & preliminary design of selected road projects in Liberia	IPCLL002-21 Amendment No. 2	Infrastructure & Procurement Consultant Liberia Ltd	230,043.36	230,043.36
13	Repairs & Maintenance of street lights in Monrovia and its environs, Montserrado County	MPW-W-052-21/22	Chris Electrical Corporation	200,000.00	200,000.00
	<b>Total (C)</b>			<b>20,153,166.01</b>	<b>9,940,722.41</b>
	<b>Grand Total</b>			<b>68,251,953.84</b>	<b>38,062,768.68</b>

**ANNEXURE 16: NON-COMPLIANCE WITH INSTALLATION OF PROJECT SIGNBOARDS**

No	Project Name	Contract Number	Contractor	Distance (Km)	Contract Value US\$
1	Construction of Mt. Coffee Water Treatment Plant to Johnsonville Road (Section 2 of Pipeline Road)	MPW-W-027-18/19	MDMC Express Inc.	11.5Km Secondary Asphalt Road	10,015,508.50
2	Rehabilitation of the Madina - Robertsport Corridor	MPW-W-0020-18/19. Adden-dum Lot 2	SSF Entrepreneur Inc.	12.5Km Primary Asphalt Road	7,751,823.64
3	Pavement of: section of Dixville Road Corridor(1.2km), Barnersville Junction(0.5km), Mount Barclay - Kakata Junction & parking area along Mount Barclay-Kakata Jctn.	MPW-W-018-18/19 Amendment	MDMC Express Inc.	1.7Km Secondary Asphalt Road	4,175,185.50
4	Pavement of the Marshall Road	MPW-W-013-15/16 Revised	SSF Entrepreneur Incorporated	21.5Km Secondary Asphalt Road	6,117,021.33
5	Construction of the Grand Bassa Community College Bridge	MPW-W-0033-21/22	Jupiter Construction Inc.	1 Bailey Bridge (Steel Truses)	1,150,000.69



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No	Project Name	Contract Number	Contractor	Distance (Km)	Contract Value US\$
6	Routine Maintenance of Klay to Bo Waterside & Klay to Tubmanburg	MPW-W-0040-21/22	West Africa Construction Inc	104Km Primary Asphalt Road	1,912,413.31
7	Periodic Maintenance of Forquelleh to Harvey Town.	MPW-W-0034-21/22	New Millennium Engineering & Construction	19.5Km Secondary Laterite Road	534,707.70
8	Dakota to Koleh Bridge Rehabilitation/ Maintenance.	MPW-W-0024-21/22	Arrow Group LLC	130ft Bailey Bridge	968,957.00
9	Poly Seal pavement of LIPA Access Road, Doema Town.	MPW-W-0042-21/22	ITSACOM Polyroads Ltd.	1.5Km Polymer Seal Feeder Ro	911,034.83
10	Periodic Maintenance of Brewerville to Compoundu,	MPW-W-0030-21/22	Geoskope Ltd.	72Km Secondary Laterite Road	579,607.16
11	Periodic Maintenance of Doe Estate to Graceland.	MPW-W-0031-21/22	INMACO Trading Inc	65Km Secondary Laterite Road	418,426.07
12	Periodic Maintenance of Tappita to Zleh Town.	MPW-W-0028-21/22	Desire Construction Company	71Km Primary Laterite Road	1,249,132.10
13	Periodic Maintenance of Joabo Town to Putuken Road.	MPW-W-0053-21/22	JD Construction Company	72Km Primary Laterite Road	1,221,880.00
14	Periodic Maintenance of Voinjama to Konia.	MPW-W-0058-21/22	East International Group	68Km Primary Laterite Road	1,710,743.94
15	Construction of the Vahun Bridge and a Double Cell box Culvert.	MPW-W-0050-21/22	Afro Construction Company	RC Bridge and Double Cell Box Culvert	599,117.39
16	Provision and installation of streetlights (including pedestals and all accessories.	MPW-W-0039-21/22	Zircon Industrial Engineering Inc.	1,200 pcs street lights	1,792,712.94
17	Periodic Maintenance of Zleh to Zwedru to Joabo Town Road.	MPW-W-0023-21/22	Chen Liberia Enterprise	66Km Primary Asphalt Road	1,440,215.28
18	Periodic Maintenance of Zorgowee to Dulay Road	MPW-W-0027-21/22	DAB Construction Company	3.2km Secondary Laterite Road	328,815.77
19	Periodic Maintenance (overlying with asphalt) of Robertsports City Streets	MPW-W-0020-18/19 Addendum	SSF Entrepreneur Inc.	0.739km Urban Asphalt Road	1,376,439.16
	<b>Total</b>				<b>44,253,742.31</b>



**ANNEXURE 17: EXPIRATION OF CONTRACTS RECORDED AS ONGOING**

No	Project Name	Contract Number	Contractor	Contract Value US\$	Start Date	End Date	Disbursed Amount US\$	Unapproved Time Extension (Months)
1	Construction of 5.2km Urban Concrete Road, Banjor Community (2.5KM) and Nicklee Town (2.7KM) Roads. Montserrado County	MPW-W-0018-18/19. Lot # 3. Phase 1 MOU	Solid Rock / Cement & Steel Partnership	4,760,662.50	08-Jan-19	08-Jan-21	3,015,235.61	42
2	Construction of Bishop Michael Francis Road, Logan Town Broad Street Road & Voker Mission, Road Montserrado County	MPW-W-0005-18/19. Lot # 2	West Africa Construction Inc	4,320,000.00	08-Jan-19	08-Jan-21	3,455,980.00	30
3	Construction of the Dry Rice Market to Johnsonville Road. Montserrado County	MPW-W-0018-18/19.	China Chongging International	9,665,508.50	04-Feb-20	05-Feb-21	3,882,927.98	30
4	Extension of ELWA Rehab Road (2.7km) and construction of Kailondo Key Hole Road (1.2km), Montserrado County	MPW-W-0023-19/20, Lot # 5 Addendum	Sidani Group of Holding	3,120,000.00	04-Mar-20	05-Mar-21	2,496,000.00	40
5	Rehabilitation of Laterite Roads from King Farm to Zeawho Town, Margibi Count	MPW-W-0026-19/20, Lot 2	MOABEL Inc.	455,266.80	21-Jan-19	22-Jan-21	318,686.76	30
6	Extension of alleyways of the Marshall Road, Margibi Count	MPW-W-013-15/16 Addendum	SSF Entrepreneur Incorporated	611,702.13	08-Jan-19	08-Jan-21	305,851.00	30
7	Periodic Maintenance of the Ganta - Zwedru Road Corridor, Nimba & Grand Gedeh Co.	MPW-W-008-15/16	China Henan International Cooperation	6,537,425.00	18-Jun-19	18-Jun-21	1,000,000.00	37
8	Periodic Maintenance of the	MPW-W-004-	SSF Entrepreneur	396,503.72	20-Jun-18	20-Dec-18	376,678.53	67



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FY2020/2021										
No	Project Name	Contract Number	Contractor	Contract Value US\$	Start Date	End Date	Disbursed Amount US\$	Unapproved Time Extension (Months)		
	Johnson Street to Saint Paul Bridge Road, Montserrado County	17/18.	Inc.							
	<b>Total (a)</b>			<b>29,867,068.65</b>			<b>14,851,359.88</b>	<b>306</b>		
SBY2021										
1	Pavement of some streets in Greenville City, Sinoe County	MPW-W-0027-19/20. Lot # 1	West Africa Construction Inc.	1,067,338.51	20-Nov-19	20-Nov-21	693,770.03	32		
2	Pavement of some streets in Barclayville City, Grand Kru County	MPW-W-0026-19/20. Lot # 2	SSF Entrepreneur	923,259.63	20-Nov-19	20-Nov-21	605,770.00	32		
3	Sass Town Bridge Rehabilitation, Grand Kru County	MPW-W-0030-18/19.	Quality Group of Construction Companies	230,977.23	24-Jul-19	24-Jul-21	106,248.74	36		
4	Pavement of some streets in Bopolu city, Gbapolu County	MPW-W-0028-18/ 20. Lot # 3	YSM Incorporated	900,000.00	14-Nov-19	14-Nov-21	559,947.95	32		
	<b>Total (b)</b>			<b>3,121,575.37</b>			<b>1,965,736.72</b>	<b>132</b>		
FY2021										
1	Construction of 6.5Km Urban Asphalt: Road Pipeline Road in Paynesville, Montserrado County	MPW-W-0008-18/19 -Lot # 3	MDMC Express Inc.	6,419,016.00	04-Feb-20	05-Feb-22	5,800,000.00	29		
2	Supervision & monitoring of the 1st Batch of PSIP: Lots 3 (6.5km), 4 (5.0km) and 6 (2.5km), General	MPW-S-0006-18/19	BK Enterprise Inc.	442,368.00	04-Mar-20	05-Mar-22	391,160.00	28		
3	Construction of 7.25Km Urban Asphalt: Road Duazon Sand Beach Road (1.7km), Sophie Road (1.35km) & Soul Clinic Road (4.2km), Montserrado County	MPW-W-0020-18/19. Lot # 2. Phase 1 MOU	SSF Entrepreneur Inc.	4,773,483.26	21-Jan-19	22-Jan-22	2,148,067.38	30		



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FY2020/2021										
No	Project Name	Contract Number	Contractor	Contract Value US\$	Start Date	End Date	Disbursed Amount US\$	Unapproved Time Extension (Months)		
4	Extension of Arch Bishop Michael Francis Road (500m) and Voker Mission Road (700m), Montserrado County	MPW-W-0005-18/19. Lot # 2 Addendum	West Africa Construction Inc	876,243.38	27-Jul-21	27-Jul-22	175,248.00	24		
5	Supply & delivery of pedestrian crosswalk light and traffic lights in Monrovia and its environs, Montserrado County	MPW-S-0003-18/19 ADDENDUM	ELOCEAN Group of Companies	47,950.00	01-Aug-21	01-Aug-22	43,155.00	23		
6	Periodic maintenance of Palala to Zowieta Town Road, Bong County	MPW-W-0024-19/20	Sidani Group of Holding	1,043,146.27	01-Feb-20	01-Feb-22	944,317.66	29		
7	Cleaning of urban drainage & installation of culverts.	MPW-W-0037-19/20	JLN International	270,584.48	12-Mar-20	12-Mar-22	202,938.36	28		
8	Periodic maintenance of ITI Bridge to Greenville Road Corridor, Sinoe County	MPW-W-0034-19/20 Lot 2	Desire Construction Company	1,905,218.80	15-Apr-20	15-Apr-22	1,324,993.07	27		
9	Periodic maintenance of Garyea – Gbanlata road and Kolilla – Palilla road, Sinoe County	MPW-W-0030-19/20 Lot 2	New Millennium Engineering & Construction Com	354,866.06	13-Mar-20	13-Mar-22	205,717.47	28		
10	Periodic Maintenance of the Kpomai to Zolowo road and Kolahun to Vahun road, Lofa County	MPW-W-0041-19/20. Lot 7	West Africa Construction Inc	698,157.60	15-Apr-20	15-Apr-22	209,447.00	27		
11	Periodic Maintenance of roads in Caldwell, Bushrod Island, Barmersville, New Kru Town, Momboe Town, New Georgia, Montserrado County	MPW-W-0045-19/20 Lot 3	Solid Rock / Cement and Steel Partnership	543,000.00	15-Apr-20	15-Apr-22	296,195.70	27		



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FY2020/2021										
No	Project Name	Contract Number	Contractor	Contract Value US\$	Start Date	End Date	Disbursed Amount US\$	Unapproved Time Extension (Months)		
12	Periodic Maintenance of Clay-Ashland to Brewerville Bridge, Montserrado County	MPW-W-0000-20/21 Lot # 1	Future Builders & Investment Company	269,108.82	13-Jun-20	13-Jun-22	84,769.27	25		
13	Periodic Maintenance of Massaquoi Town Bridge, Montserrado County	MPW-W-0032-19/20 Lot # 3	Future Builders & Investment Company	292,947.42	14-Jun-20	14-Jun-22	92,278.43	25		
14	Periodic Maintenance of Bentol Bridge and Box Culvert.	MPW-W-0033-19/20 Lot # 2	Arrow Group LLC	368,062.26	25-Feb-20	25-Feb-22	356,481.45	28		
15	Periodic Maintenance of Monrovia Central Business District, Montserrado County	MPW-W-0044-19/20 Lot # 2	SIDANI Group Holding	653,880.00	15-Apr-20	15-Apr-22	564,907.13	27		
16	Periodic Maintenance of Kakata - Worhn Township Road, Division # 44 - 10 Doll - Firestone Road (Kakata Dist Boundary) and Darkor - Massaquoi road, Margibi County	MPW-W-0039-19/20	JD Construction Company	680,308.00	15-Apr-20	15-Apr-22	204,092.40	27		
17	Pavement of the Bonjal Trucks Parking Place, Montserrado County	MPW-W-042-20/21	Sidani Group of Holding	246,720.46	19-Mar-21	19-Sep-22	123,360.23	23		
18	Emergency repair of Cestos Junction - Cestos City Road, Rivercess County	MPW-EW-002-20/22	SIDANI Group Holding Inc.	245,138.00	19-Mar-21	20-Sep-22	232,881.10	23		
	<b>Total (c)</b>			<b>20,130,198.81</b>						<b>478</b>
	<b>Grand Total (a + b + c)</b>			<b>53,118,842.83</b>						<b>916</b>

