



Promoting Accountability of Public Resources

AUDITOR GENERAL'S REPORT

**ON THE FINANCIAL STATEMENT AUDIT OF
THE CHEESMANBURG LANDFILL URBAN
SANITATION PROJECT (CLUS) FINANCIAL
STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED JUNE 30,
2021**

DECEMBER 2021

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



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December 30, 2021

Hon. Jefferson T. Kojjee
Monrovia City Mayor
Monrovia City Corporation (MCC)
1st Street, Sinkor
Monrovia Liberia

Dear Hon. Kojjee:

WE HAVE AUDITED THE FINANCIAL STATEMENTS OF THE CHEESMANBURG LANDFILL URBAN SANITATION PROJECT (CLUS) FINANCED BY GRANT No. TF A5269 & TF B2994 FOR THE FISCAL PERIOD ENDED 30 JUNE 2021, WHICH COMPRISE THE STATEMENT OF RECEIPTS AND PAYMENTS, AND THE STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION.

Opinion

In our opinion, the accompanying financial statements of **Grant No. TF A5269 & TF B2994** present fairly, in all material respect, the statement of Financial Position as at June 30, 2021, the statement of Fund Balance and summary of significant accounting policies and other explanatory information for the fiscal period then ended in accordance with International Public Sector Accounting Standards (IPSAS 2017) Cash Basis of Accounting.

Basis for Opinion

We conducted our audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Project Implementing Unit (PIU) of the Monrovia City Corporation (MCC) in accordance with the ethical requirements that are relevant to our audit of the financial statements in Liberia, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Management's Responsibility for the Financial Statements

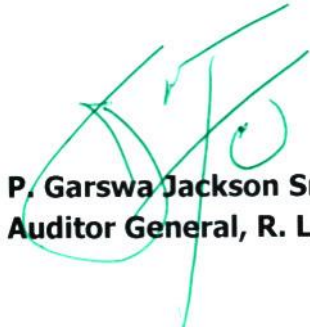
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards Cash basis of accounting (IPSAS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor General's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Those standards require that we comply with ethical requirements and plan and perform the audit to

obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



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

Monrovia, Liberia
December 2021

**STATEMENT OF RECEIPTS AND PAYMENTS
 FOR THE PERIOD ENDED JUNE 30, 2021**

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<i>In United States Dollars</i>	Notes	2021 June	2020 June	Cummulative
Receipt				
IDA Grant	4	<u>3,257,297</u>	<u>3,015,233</u>	<u>12,187,978</u>
Total Receipt		<u><u>3,257,297</u></u>	<u><u>3,015,233</u></u>	<u><u>12,187,978</u></u>
Payment				
Construction of Cheesmanburg Regional Landfill	5	378,552	618,875	1,993,193
Waste Collection and Disposal	6	987,977	1,642,366	6,298,524
Institutional Capacity Strengthening and Technical Assistance	7	<u>1,577,960</u>	<u>861,428</u>	<u>3,218,037</u>
Total Payments		<u><u>2,944,490</u></u>	<u><u>3,122,669</u></u>	<u><u>11,509,754</u></u>
Excess of receipts over payments (payments over receipts)		312,808	(107,435)	678,224
Fund Balance as at beginning		<u>365,416</u>	<u>472,852</u>	<u>-</u>
Cummulative fund balance		<u><u>678,224</u></u>	<u><u>365,416</u></u>	<u><u>678,224</u></u>

The notes found on page 8-13 are integral part of these financial statements

**STATEMENT OF FUND BALANCE AND CASH STATUS
 FOR THE PERIOD ENDED JUNE 30, 2021**

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<i>In United States Dollars</i>	Notes	2021 June	2020 June
A Fund Balance			
Balance of Project Fund		365,416	472,852
Add: Total Receipts during the period		<u>3,257,297</u>	<u>3,015,233</u>
Total Fund available for operations		3,622,713	3,488,085
Less: Total Payments during the period		<u>2,944,490</u>	<u>3,122,669</u>
Balance of project fund at the end of the year		678,224	365,416
B Cash Status:			
Cash at Bank		<u>678,224</u>	<u>365,416</u>
Total Cash on hand and in bank		678,224	365,416
Difference between A and B		<u><u>-</u></u>	<u><u>-</u></u>

The notes found on page 8-13 are integral part of these financial statements

STATEMENT OF COMPARASION OF THE BUDGET AND ACTUAL AMOUNT FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Activities Within Components	NOTE	Project Allocation	Annual	Actual Expenditure	Variance
		\$	\$	\$	\$
Construction of Cheesmanburg Regional Landfill	10	10,580,000	1,838,803	378,552	1,460,251
Waste Collection and Disposal	10	12,650,000	1,908,180	987,977	920,203
Institutional Capacity Strengthening and Technical Assistance	10	3,570,000	2,800,745	1,577,960	1,222,785
Total		<u><u>26,800,000</u></u>	<u><u>6,547,728</u></u>	<u><u>2,944,490</u></u>	<u><u>3,603,239</u></u>

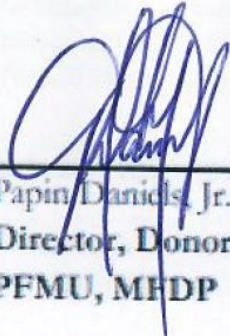
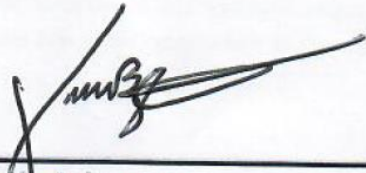
The notes found on page 8-13 are integral part of these financial statements



**STATEMENT OF FINANCIAL POSITION
 AS AT JUNE 30, 2021**

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<i>In United States Dollars</i>	Notes	2021 June	2020 June
Assets			
Cash and cash equivalent		<u>678,224</u>	<u>365,416</u>
Total Assets		<u><u>678,224</u></u>	<u><u>365,416</u></u>
Fund Balance			
Grants		<u>678,224</u>	<u>365,416</u>
Accumulated Fund Balance		<u><u>678,224</u></u>	<u><u>365,416</u></u>

 <hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> Papin Daniels, Jr. Director, Donor Financed Projects PFMU, MHDP	 <hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> Edwin Johnson Project Coordinator-CLUSP MCC
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The notes found on page 8-13 are integral part of these financial statements

NOTES TO FINANCIAL STATEMENTS

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1. Background and Information of the Project

With support from the Trust Fund; the Cheesmanburg Landfill and Urban Sanitation Project (CLUSP) - is to provide improved access to solid waste management (SWM) services in Monrovia. The World Bank approved the CLUS project on June 28, 2017 with a grant amount of **USD 26.8M**. The aim of the project is

- i. **Construction of the Cheesmanburg Regional Landfill and Partial Closure of the When Town Landfill:** This component will finance: (1a) technical studies and preparation for the tender documents for the new Cheesmanburg landfill; (1b) construction of the first cell of the Cheesmanburg landfill and related facilities (leachate pond, landfill office, maintenance area, etc.); (1c) water supply boreholes and extension of the access road to benefit the Cheesmanburg community (1d) partial closure and construction of a perimeter wall around the Whein Town landfill to continue to operate in an environmentally safe manner before the Cheesmanburg landfill opens; (1e) permanent closure of the Whein Town site once the Cheesmanburg landfill becomes fully operational; (1f) minor rehabilitation and upgrade work to the existing transfer stations to accommodate larger waste transfer trucks.
- ii. **Waste Collection and Disposal:** This component will support MCC to continue delivering a consistent level of SWM service.
- iii. **Institutional Capacity Strengthening and Technical Assistance:** This component will finance: (3a) Capacity building of SWM staff at MCC, surrounding municipalities, and the Liberia Environmental Protection Agency (EPA); (3b) preparation of a long-term waste management strategy for Greater Monrovia, which will include an optimization study, an assessment of waste recycling and valorization options for future recycling; (3c) public awareness and citizens engagement activities; (3d) technical assistance to carry out a study to improve urban management in the city; (3e) Project Management.

2. Use of Grant Proceeds

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

Amount of	grant allocated	% of
Category	expressed in US\$	expenditure to be financed
Construction of the Cheesmanburg Regional Landfill and Partial Closure of the Whein Town Landfill	10,580,000	100
Waste Collection and Disposal	12,650,000	100
Institutional Capacity Strengthening and Technical Assistance	3,570,000	100
Total	26,800,000 =====	

NOTES TO FINANCIAL STATEMENTS (continued)

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

	% of Expenditure
IDA Grant	100
Total	100
	=====

3. Significant Accounting Policies

Basis of accounting

The financial statements have been prepared in accordance with the Cash Basis International Public Sector Accounting Standards (IPSAS) and in the manner required by the Project Grant Agreement as required by the World Bank's Operating Policies and Procedures and PFMU's Financial Management manual.

Reporting currency

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

Grant Receipts

Grant from donors for the CLUS project is recognized and reported in the Statement of Receipt and Payment as income when received and held in a bank account called designated income account for disbursement purposes. All payments for the CLUS project and activities are made from the designated account.

Cash and bank balances

Cash consist of cash in hand and balance at bank.

Recognition of expenditure

All expenditures are expensed whether they are revenue or capital in nature and income is recognized when funds are received from the World Bank.

Tax

The project is 100 percent inclusive of tax.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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<i>In United States Dollars</i>	2021 June	2020 June	Cummulative
4 Grant Receipt			
IDA Grant -TF A5269	2,715,851	2,636,042	9,601,664
Govt of Liberia Funding - USD	300,000	225,000	1,955,000
Govt of Liberia Funding - LD	203,981	149,298	570,231
Others (Sale of Bid)	37,464	4,893	61,083
	<u>3,257,297</u>	<u>3,015,233</u>	<u>12,187,978</u>
5 Construction of Cheesmanburg Regional Landfill			
Technical studies & preparation for the tender documents for the new Chees	87,366	107,795	488,258
Construction of Cheesmanburg landfill and related facilities	-	-	-
Water Supply - boreholes & extension Road Access	-	-	-
Partial closure of Whein Town landfill	291,186	449,608	1,161,265
Permanent closure of the Whein Town site	-	-	-
Construction Minor rehabilitation and Upgrade Work	-	61,471	343,670
	<u>378,552</u>	<u>618,875</u>	<u>1,993,193</u>
6 Waste Collection and Disposal			
Supply & Delivery of Garbage Collection Equipment	294,892	501,184	1,963,929
Waste Collection & Disposal Services	693,085	1,141,182	4,334,595
Waste Collection Services (GPRBA)	-	-	-
	<u>987,977</u>	<u>1,642,366</u>	<u>6,298,524</u>
7 Institutional Capacity Strengthening and Technical Assistance			
Capacity building of SWM staff at MCC & EPA	-	11,036	44,181
Preparation of a long-term waste Mgt Strategy	-	-	-
Public awareness and citizens engagement activities	18,133	13,343	32,796
Technical Assistance for study to improve Urban Mgt	-	-	-
Project Management	932,273	693,500	2,369,957
Monitoring and Evaluation (GPRBA)	-	-	-
Performance Subsidies (MCC & PCC) to 4 Communities	-	-	-
COVID-19 Response Plan	627,554	143,549	771,104
	<u>1,577,960</u>	<u>861,428</u>	<u>3,218,037</u>
8 Cash receipts through grant and other Sources			
IDA grant	3,257,297	3,015,233	12,187,978

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

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<i>In United States Dollars</i>	2021	2020	
	June	June	Cummulative
9 Cash paid			
Construction of Cheesmanburg Regional Landfill	378,552	618,875	1,993,193
Waste Collection and Disposal	987,977	1,642,366	6,298,524
Institutional Capacity Strengthening and Technical Assistance	1,577,960	861,428	3,218,037
Total Payments	<u>2,944,490</u>	<u>3,122,669</u>	<u>11,509,754</u>

NOTE TO THE FINANCIAL STATEMENTS

10. ANALYSIS OF VARIANCE

**Total
Variance Explanation**

There was an overspending under the partial closure because there were expenditures that were rolled over to the current period. Also there were no expenditure under other components because of delay in procurement. Public awareness and citizens engagement activities were delayed due to the absent of technical focus person on this activities, who was on maternity leave.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

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PROJECT DESIGNATED ACCOUNT STATEMENT

Account Number: 11202584701, 11202584703 & 10102584702
Account Type: Current Account
Depository Bank (s): SI Bank
Address: Broad Street
 Monrovia, Liberia

Currency: United States Dollar

	<i>In United States Dollars</i>	<i>In United States Dollars</i>
	2021	2020
	June	June
Total Grant Received	<u>3,257,297</u>	<u>3,015,233</u>
Total grant income reported	3,257,297	3,015,233
Amount spent	2,944,490	3,122,669
Balance as at beginning	<u>365,416</u>	<u>472,852</u>
Balance as at June 30, 2021	<u>678,224</u>	<u>365,416</u>
Closing Balance Consist of:		
Petty Cash	605	2,000
IDA Grant -TF A5269	514,996	319,450
Govt of Liberia Funding - USD	115,737	35,454
Govt of Liberia Funding - LD	46,886	8,512
	<u>678,224</u>	<u>365,416</u>