



Promoting Accountability of Public Resources

AUDITOR GENERAL'S REPORT



On The Closeout Financial Statement Audit of the Fish Town Harper Road Project (FTHRP)

Grant No. ADF No. 2100150029693

TSF No.-5900155005403

NTF No. 220016001089

GoL- LBR

For the year ended June 30, 2021

December 2021

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

Table of Contents

Opinion.....	3
Basis for Opinion	3
Auditor General’s Responsibility.....	3
FTHRP Financial Statement for the Period Ended June 30, 2021	5
STATEMENT OF RECEIPTS AND PAYMENTS	6
STATEMENT OF FUND BALANCEAND CASH STATUS	7
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS.....	8
STATEMENT OF FINANCIAL POSITION	9
NOTES TO FINANCIAL STATEMENTS.....	10

AUDITOR GENERAL'S REPORT ON THE CLOSEOUT FINANCIAL STATEMENT AUDIT OF THE FISH TOWN HARPER ROAD PROJECT (FTHRP) FOR THE FISCAL PERIOD ENDED JUNE 30, 2021

We have audited the closeout financial statements (Grant No. ADF No. 2100150029693 TSF No.-5900155005403, NTF No. 220016001089 GoL- LBR) of the Fish Town Harper Road Project (FTHRP) which comprise the statement of Cash Receipts and Payments for the period ended 30 June 2021, the Statement of Comparison Budget and Actual Amounts and a summary of significant accounting policies and other explanatory information.

Opinion

In our opinion, the accompanying financial statements (Grant No. ADF No. 2100150029693 TSF No.-5900155005403, NTF No. 220016001089 GoL- LBR) present fairly, in all material respects, the Statement of Receipts and Payments as at June 30, 2021, Statement of Comparison of Budget and Actual Amounts and a summary of other accounting policies and explanatory notes for the fiscal period then ended in accordance with International Public Sector Accounting Standards (IPSAS) Cash Basis of Accounting

Basis for Opinion

We conducted our audit in accordance with International Standards of Supreme Audit Institutions. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the Code of Ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the African Development Bank (AfDB) guidelines and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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.

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



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

Monrovia, Liberia

December 2021

FTHRP Financial Statement for the Period Ended June 30, 2021

**STATEMENT OF RECEIPTS AND PAYMENTS
 FOR THE PERIOD ENDED JUNE 30, 2020**

2

<i>In United States Dollars</i>	Notes	2021 June	2020 June	Cummulative
Receipt				
AfDB Grant & Loan	4	5,361,564	3,548,818	44,344,729
Toptal Receipt		5,361,564	3,548,818	44,344,729
Payment				
Road Improvement Activities	5	5,330,470	3,464,474	42,288,387
Project Management	6	65,802	51,135	852,490
Complementary Components	7	-	13,600	310,458
Base Cost	8	-	-	-
Total Payments		5,396,272	3,529,209	43,451,334
Excess of receipts over payments (payments over receipts)		(34,708)	19,610	893,395
Fund Balance as at beginning		41,105	21,495	21,495
Cummulative fund balance		6,397	41,105	914,890

The notes on pages 10 to 15 are integral part of these project financial reports

**STATEMENT OF FUND BALANCE AND CASH STATUS
 FOR THE PERIOD ENDED JUNE 30, 2020**

3

<i>In United States Dollars</i>	Notes	2021 June	2020 June
A Fund Balance			
Balance of Project Fund		41,105	21,495
Add: Total Receipts during the period		<u>5,361,564</u>	3,548,818
Total Fund available for operations		5,402,669	3,570,314
Less: Total Payments during the period		<u>5,396,272</u>	3,529,209
Balance of project fund at the end of the year		6,397	41,105
B Cash Status:			
Cash at Bank		<u>6,397</u>	41,105
Total Cash on hand and in bank		6,397	41,105
Difference between A and B		<u><u>0</u></u>	<u><u>0</u></u>

The notes on pages 10 to 15 are integral part of these project financial reports

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

4

14. Ananalysis of Variance

Activities Within Components	Project Allocation US\$	Annual US\$	Actual Expenditure US\$	Variance US\$
Road Improvement Activities	51,020,000	1,889,983	5,330,470	(3,440,487)
Project Management	990,000	63,323	65,802	(2,479)
Compelmentary Components	1,820,000	-	-	-
Base Cost	10,720,000	-	-	-
Total	64,550,000	1,953,306	5,396,272	(3,442,966)

The notes on pages 6 to 10 are integral part of these project financial reports

Variance:

The variance is due to the backlog of IPCs made during this quarter and also due to delay in finalizing the addendum #3 for the Works Consultant which was signed in December 2020 for payments projected in from 2019 (Supervision of Actual Works) and 2020 (Monitoring of Defects Notification Period). Additionally, the variance is due to the limited expenditure being made due to COVID-19 when field travels were not in full and missions planned could not be conducted.


The notes on pages 10 to 15 are integral part of these project financial reports



**STATEMENT OF FINANCIAL POSITION
 AS AT JUNE 30, 2020**

5

<i>In United States Dollars</i>	Notes	2021 June	2020 June
Assets			
Cash and cash equivalent		6,397	41,105
Total Assets		6,397	41,105
Fund Balance			
Grants		6,397	41,105
Accumulated Fund Balance		6,397	41,105



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



 Rawlings Baco Kesselly
 Project Coordinator-FTHRP
 MoPW

The notes on pages 10 to 15 are integral part of these project financial reports

NOTES TO FINANCIAL STATEMENTS

6

1. Background and Information of the Project

With support from the African Development Bank (AfDB); the FTHRP- program is to provide efficient road transport access to South East Counties of Liberia and by extension of neighboring ECOWAS/ Mano River Union Member States (Cote d'Ivoire, Guinea and Sierra Leone). The project is expected to improve accessibility of the communities in the project's zone of influence to economic centres and social services. The expected outcome includes: a) reduced transport cost and travel time; b) employment generation during construction and post construction phases; c) enhanced potential for agriculture thereby contributing to poverty reduction among communities on the corridor; and d) improved road safety. The FTHR project was approved by the African Development Bank on **September 5, 2013** with a grant amount of **USD 64.55 Million**. The aim of the project is

- i. Paving Harper- Karloken Road (50Km), ESMP implementation and supervision of works;
- ii. Project management (Implementation Support, Financial /Technical/Road Safety Audits, Monitoring and Evaluation); and
- iii. Complementary Components: ESMP and (Compensation of PAPs), Capacity Building, and Awareness campaigns- HIV/AIDS, Malaria, Gender Empowerment and Road Safety.

2. Use of Grant Proceeds

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

Category	Amount of grant allocated expressed in US\$	% of expenditure to be financed
Road Improvement Activities	51,020,000	100
Project Management	990,000	100
Complementary Components	1,820,000	100
Base Cost	10,720,000	100
Total	64,550,000 =====	

NOTES TO FINANCIAL STATEMENTS (continued)

7

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

	% of Expenditure
AfDB	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) as adopted by the Government of Liberia and in the manner required by the Project Grant Agreement as required by the African Development 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.

Loan Receipts

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

Cash and bank balances

Cash consist of cash in hand and balance at bank.

Recognition of expenditure (capital and revenue)

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 exclusive of tax.

NOTES TO THE FINANCIAL STATEMENTS (continued)

8

<i>In United States Dollars</i>	2021 June	2020 June	Cummulative
4 Grant Receipt			
Fragile State Account	-	-	29,777
African Development Bank	-	46,499	262,435
Nigeria Trust Fund	-	-	-
Government Contribution	-	-	886,998
Direct Payment			
Fragile State Account	1,614,814	3,419,327	10,403,239
African Development Bank	2,335,417	82,952	10,699,170
Nigeria Trust Fund	1,411,334	-	22,063,070
Government Contribution	-	-	-
Others- Miscellaneous	-	40	40
	5,361,564	3,548,818	44,344,729
5 Road Improvement Activities			
Road Civil Works + ESMP	4,748,476	3,404,221	39,322,764
Supervision	581,994	60,253	2,965,623
	5,330,470	3,464,474	42,288,387
6 Project Management			
Project Coordination Support	30,908	36,029	439,199
Monitoring & Evaluation	-	-	269,835
Financial & Technical Audit	34,894	15,106	143,456
	65,802	51,135	852,490
7 Complementary Components			
Road Sector Capacity Building	-	-	223,418
HIV/AIDS Sensitization	-	13,600	87,040
Compensation of PAP's	-	-	886,998
	-	13,600	310,458
8 Base Cost			
Physical Contingency	-	-	-
Price Contingency	-	-	-
	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

9

In United States Dollars

	2021 June	2020 June	Cummulative
9 Cash receipts through grant and other Sources			
IDA grant	5,361,564	3,548,818	44,344,729
10 Cash paid			
Road Improvement Activities	5,330,470	3,464,474	42,288,387
Project Management	65,802	51,135	852,490
Complementary Components	-	13,600	310,458
Base Cost	-	-	-
Total Payments	5,396,272	3,529,209	43,451,334

NOTES TO THE FINANCIAL STATEMENTS (continued)

10

14. Analysis of Variance

Activities Within Components	Project Allocation US\$	Annual US\$	Actual Expenditure US\$	Variance US\$	% of Variance
Road Improvement Activities					
Road Civil Works + ESMP	48,440,000	1,482,303	4,748,476	(3,266,173)	-220
Supervision	2,580,000	407,680	581,994	(174,314)	-43
	<u>51,020,000</u>	<u>1,889,983</u>	<u>5,330,470</u>	<u>(3,440,487)</u>	<u>-182</u>
Project Management					
Project Coordination Support	300,000	46,656	30,908	15,748	34
Monitoring & Evaluation	300,000	-	-	-	
Financial & Technical Audit	390,000	16,667	34,894	(18,227)	-109
	<u>990,000</u>	<u>63,323</u>	<u>65,802</u>	<u>(2,479)</u>	<u>-4</u>
Complementary Components					
Road Sector Capacity Building	420,000	-	-	-	
HIV/AIDS Sensitization	150,000	-	-	-	
Compensation of PAP's	1,250,000	-	-	-	
	<u>1,820,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Base Cost					
Physical Contingency	5,370,000	-	-	-	
Price Contingency	5,350,000	-	-	-	
	<u>10,720,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total	<u>64,550,000</u>	<u>1,953,306</u>	<u>5,396,272</u>	<u>(3,442,966)</u>	<u>-176</u>

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

11

PROJECT DESIGNATED ACCOUNT STATEMENT

Account Number: 001USD21320509422/001USD21320509409
Account Type: Current Account
Depository Bank (s): LBDI
Address: 9th Street, Sinkor
 Monrovia, Liberia

Currency: United States Dollar

	2021	2020
	June	June
Total Grant Received	<u>5,361,564</u>	3,548,818
Total grant income reported	5,361,564	3,548,818
Amount spent	5,396,272	3,529,209
Balance as at beginning	<u>41,105</u>	21,495
Balance as at June 30, 2021	<u><u>6,397</u></u>	<u>41,105</u>
Closing Balance Consist of:		
Pety cash-ADF Special Account	-	-
ADF Special Account No. 001USD21320509409	1,116	26,104
FSF Special Account No. 001USD21320509422	<u>5,281</u>	15,001
	<u><u>6,397</u></u>	<u>41,105</u>

Outstanding Commitment

Item No.	Name of Consultant/Contractor	Contract Amount	State of Completion	Amount Disbursed	Outstanding Commitments
		USD\$		USD\$	USD\$
1	China Railway No 5 Eng. Group	55,441,025.09	On Going	55,235,930.00	205,095.09
2	Comptran	2,325,200.00	On Going	2,325,200.00	-
3	Comptran	976,430.00	On Going	935,371.00	41,059.00
	GRAND TOTAL	58,742,655.09		58,496,501.00	246,154.09