



## **Management Letter**

### **On The Audit of the Fish Town Harper Road Project (FTHRP) Closeout Financial Statements**

*For the Period July 1, 2020 to June 30, 2021*



**Promoting Accountability of Public Resources**

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

**Monrovia, Liberia**  
December 2021

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### **Acronyms/Abbreviations/Symbols**

<b>Acronyms/Abbreviations/Symbol</b>	<b>Meaning</b>
A/C#	Account Number
AG	Auditor General
FTHRP	Fish Town Harper Road Project
ACCA	Association of Chartered Certified Accountants
CFIP	Certified Forensic Investigation Professional
CFC	Certified Financial Consultant
FY	Fiscal Year
GAC	General Auditing Commission
GOL	Government of Liberia
ISSAIs	International Standards of Supreme Audit Institutions
FS	Financial Statement
PFM Act	Public Finance Management Act
US\$	United States Dollar
PFMU	Project Financial Management Unit
PIM	Project Implementation Manual
FAR	Fixed Asset Register
DSA	Daily Subsistence Allowance
BoQ	Bill of Quantity
MPW	Ministry of Public Works

Hon. Ruth Coker-Collins  
Acting Minister  
Ministry of Public Works  
South Lynch Street  
Monrovia, Liberia

December 30, 2021

Dear Hon. Coker-Collins:

The closeout financial statements of the Fish Town Harper Road Project (FTHRP) for the period July 1, 2020 to June 30, 2021 are subject to audit by the Auditor General consistent with the Auditor General's mandate as provided for under Section 2.1.3 of the GAC Act of 2014 as well as the engagement Terms of Reference.

### **Introduction**

The Audit of the FTHRP Management for the period July 1, 2020 to June 30, 2021 has been completed and the purpose of this letter is to bring to your attention the findings that were revealed during 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 annual financial statements.

An audit includes:

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

The audit will also include 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.

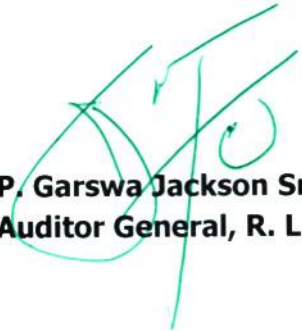
The matters mentioned in this letter are therefore those that were identified through tests considered necessary for the purpose of the audit and it is possible that there might be other matters and/or weaknesses that were not identified.

The financial statements, maintenance of effective control measures and compliance with laws and regulations are the responsibility of the Accounting Officer. Our responsibility is to express our opinion on these financial statements.

*Management Letter on the audit of the  
Fish Town Harper Road Project (FTHRP) Closeout Financial Statements  
for the period July 1, 2020 to June 30, 2021*

**Appreciation**

We would like to express our appreciation for the courtesy extended and assistance rendered by the staff of FTHRP Management during the audit.



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

**Monrovia, Liberia**

December 2021

## 1 DETAILED FINDINGS AND RECOMMENDATIONS

### 1.1 Compliance Issues

#### 1.1.1 Lack of Road Maintenance

##### Observation

- 1.1.1.1 Section 6.2 (2) (a) of the National Road Fund Act of 2016 requires "Compliance with priorities for maintenance of different categories and conditions of roads as may be defined in road asset management plans approved by the IMSC (Inter-Ministerial Steering Committee) or adopted by Government."
- 1.1.1.2 It was observed during our physical verification that the Fish Town to Harper Road which was completed November 28, 2020 and dedicated appears not to be regularly maintained.
- 1.1.1.3 We observed that savanna grass and garbage from household wastes blocked the drainages and culverts constructed along the road to mitigate erosion and to prevent the asphalt from any potential damage. **See Photo below.**



**GAC Photo: A partial view of one of the drainages along the Fish Town to Harper Road in Maryland County**

- 1.1.1.4 Also, there was no evidence of an existing contract signed between the Government of Liberia (GoL) and a vendor for the maintenance of the Fish Town to Harper Road. See Photo Below



**GAC Photo: Another view of the drainages covered in savanna grass along the Fish Town Harper Road, in Maryland County**

### **Risk**

- 1.1.1.5 The lack of maintenance of the drainages and culverts could lead to the foundation and structural damage of the road and/or damage to concrete and asphalt.
- 1.1.1.6 The lack of regular maintenance of the drainages and culverts could also result to overflowing gutters thereby undermining the accessibility of vehicles plying the road.

### **Recommendation**

- 1.1.1.7 Management should initiate a contract agreement with a vendor to ensure that regular road maintenance is conducted to prevent erosion, overflowing gutters and damage to the concrete and asphalt laid on the road.
- 1.1.1.8 The Government of Liberia should ensure that after the defect liability period of the road construction project, the National Road Fund should conduct regular road maintenance.

### **Management's Response**

- 1.1.1.9 *The project defects notification period/defects liability period ended on November 28, 2020 following physical completion on November 28, 2019 and officially turned over to the Government of Liberia in February 2021. This gives the Government of Liberia the full responsibility to maintain and secure the investment following the completion under the Bank's financing. Routine and periodic maintenance of the completed corridors are to be carried out by the Government of Liberia through the Ministry of Public Works' department responsible for such tasks in collaboration with the National Road Fund office.*
- 1.1.1.10 *The lack of routine and periodic maintenance by the Government of Liberia following the completion and defects monitoring of the project is as a result of the overgrown vegetation in the drainages and culverts along the completed road corridors. However, the Government of Liberia through the Ministry of Public Works has planned and budgeted for the corridor to*

*be maintained during the 2022 budget year. (Please see excerpt (Exhibit 1 below) from the submitted maintenance Invitation for Bids from the Government of Liberia/Ministry of Public Works that includes the Fish Town Harper Road Phase I (66km-Harper to Karloken and Harper Junction to Cavalla Customs). The Government through the Ministry of Public Works is yet to procure any vendor for the maintenance of the corridor since it was turned over following the completion. However, in accordance with the Government's/Ministry of Public Works' annual budget of 2022, the corridor has been captured for maintenance to ensure the investment is sustained. (Please see excerpt (Exhibit 1 below) from the submitted maintenance Invitation for Bids from the Government of Liberia/Ministry of Public Works that includes the Fish Town Harper Road Phase I (66km-Harper to Karloken and Harper Junction to Cavalla Customs).*

**Auditor General's Position**

- 1.1.1.11 We acknowledge Management's assertion that *"...in accordance with the Government's/Ministry of Public Works' annual budget of 2022, the corridor has been captured for maintenance to ensure the investment is sustained."* We will make follow-up during subsequent audit.
- 1.1.1.12 However, we maintain our findings and recommendations.