



Promoting Accountability of Public Resources

AUDITOR GENERAL'S REPORT



**On the Financial Statement Audit of the
Harmonizing and Improving Statistics in West
Africa (HISWA) Project
HISWA Project: P169265
Loan No. IDA V3080, IDA D5830 & IDA 65770**

January to June 2021

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

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ACRONYMS USED

Acronyms	Meaning
ACCA	Association of Certified Chartered Accountant
AFS	Audited Financial Statements
AG	Auditor General
CFC	Chartered Financial Consultant
CFIP	Certified Forensic Investigation Profession
DA	Designated Account
FAR	Fixed Asset Registry
GAC	General Auditing Commission
GOL	Government of Liberia
HISWA	Harmonizing and Improving Statistics in West Africa
INTOSAI	International Organization of Supreme Audit Institutions
IPSA	International Public Sector Accounting framework
ISAs	International Standards on Auditing
ISSAIs	International Standards of Supreme Audit Institutions
LISGIS	Liberia Institute of Statistics and Geo-Information Services
PFM	Project Financial Management Manual
PFMU	Public Financial Management Unit
PIU	Project Implementation Unit (Same as PMT)
PMT	Project Management Team
POM	Project Operational Manual
PSC	Project Steering Committee
WB	World Bank

AUDITOR GENERAL'S REPORT

December 31, 2021

Hon. Francis F. Wreh

Director General

Liberia Institute of Statistics and Geo-Information Services (LISGIS)

Executive Mansion Ground

Capitol Hill, Monrovia, Liberia

Dear Hon. Wreh:

AUDITOR GENERAL'S REPORT ON THE FINANCIAL STATEMENT AUDIT OF THE HARMONIZING AND IMPROVING STATISTICS IN WEST AFRICA (HISWA) PROJECT FOR THE PERIOD JANUARY 8 TO JUNE 30 2021.

Unqualified Opinion

We have audited the accompanying financial statements of the Harmonizing and Improving Statistics in West Africa (HISWA) Project for the period January 8, to June 30 2021. These financial statements comprise the statement of Receipts and Payments, Statement of budget verses actual, statement of financial position for the year then ended, and a summary of significant accounting Policies and other explanatory information.

In our opinion, the accompanying financial statements of HISWA (Project: P169265; Loan No. IDA V3080) 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 (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 Harmonizing and Improving Statistics in West Africa (HISWA) Project 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 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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS Cash Basis, 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. In preparing the financial statements, management is responsible for assessing its ability to continue as a going concern, disclosing, as applicable, matters related to going

concern and using the going concern basis of accounting unless management either intends to cease operations, or has no realistic alternative but to do so. The HISWA Management is responsible for overseeing the Project's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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**

<i>In United States Dollars</i>	Notes	February 2021 to June 2021
Receipt		
IDA Grant	4	3,281,511
Total Receipt		3,281,511
Payment		
Regional Component: Harmonization, Data Collection, Quality Improvement, Dissemination and Use of Core Social and Economic Statistics	5	3,347,480
Country-Specific Component: Improving or modernizing physical and statistical infrastructure	6	-
Project Management and Monitoring and Evaluation (M&E)	7	304,166
Total Payments		3,651,647
Excess of receipts over payments (payments over receipts)		(370,136)
Fund Balance as at beginning		380,011
Cumulative fund balance		9,875

Notes found on pages 10 – 15 are integral part of this financial statements

Note: This is the first-year audit for this project therefore there is no comparative.

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

<i>In United States Dollars</i>		Notes	February 2020 to June 2021
A	Fund Balance		
	Balance of Project Fund		380,011
	Add: Total Receipts during the period		3,281,511
	Total Fund available for operations		3,661,522
	Less: Total Payments during the period		3,651,647
	Balance of project fund at the end of the year		9,875
B	Cash Status:		
	Cash at Bank		9,875
	Total Cash on hand and in bank		9,875
	Difference between A and B		-

Notes found on pages 10 – 15 are integral part of this financial statements


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

Activities Within Components	Note	Project Allocation US\$	Annual Budget US\$	Year to date Expenditure US\$	Variance US\$	% of Variance
Uses of Funds By Activity Within Components						
Regional Component: Harmonization, Data Collection, Quality Improvement, Dissemination and Use of Core Social and Economic Statistics	10	25,000,000	7,473,133	3,347,480	4,125,653	55.21
Country-Specific Component: Improving or modernizing physical and statistical infrastructure	10	3,000,000	1,550,350	0	1,550,350	100.00
Project Management and Monitoring and Evaluation (M&E)	10	2,000,000	427,837	304,166	123,671	28.91
Grand Total		30,000,000	9,451,320	3,651,647	5,799,673	61.36


Notes found on pages 10 – 15 are integral part of this financial statements

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

<i>In United States Dollars</i>	Notes	February 2020 to June 2021
Assets		
Cash and cash equivalent		9,875
Total Assets	10	9,875
Fund Balance		
Grants	9	9,875
Accumulated Fund Balance		9,875



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



 Francis F. Wreh
**Director General
 LISGIS**

Notes found on pages 10 – 15 are integral part of this financial statements



NOTES TO FINANCIAL STATEMENTS

1. Background and Information of the Project

With support from the International Development Association; the Harmonizing and Improving Statistics in West Africa Project is to strengthen the statistical systems of Participating Countries and Regional Bodies in Africa to harmonize, produce, disseminate and enhance the use of core economic and social statistics. The World Bank approved the HISWA project on February 13, 2020 with a grant amount of USD 30,000,000.00.

The Project consists of the following components:

Component I: Harmonization, Data Collection, Quality Improvement, Dissemination and Use of Core Social and Economic Statistics;

Component II: Improving or Modernizing Physical and Statistical Infrastructure: Improve physical and statistical infrastructure, through the purchase and installation of equipment and services and Minor Works, necessary to NSO for its operation; and

Component III: Project Management and Monitoring and Evaluation.

2. Use of Grant Proceeds

The table below sets out the activities to be financed out of the grant proceeds, the allocation of the amounts of the grant to each activity is shown below:

Activities	Amount of grant allocated
	US\$
Component I	25,000,000
Component II	2,000,000
Component III	<u>3,000,000</u>
	<u>30,000,000</u>

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

	% of Expenditure
IDA grant	100
Total	100
	=====

NOTES TO FINANCIAL STATEMENTS *(continued)*

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 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.

Credit/Loan Receipts

Credit/Loan from donors for the HISWA 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 disbursements purposes. All payments for the HISWA 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. Taxes are withheld on consultants and vendors.

NOTES TO THE FINANCIAL STATEMENTS (continued)

In United States Dollars

**February
2021 to
June
2021**

Grant

4

Grant from HISWA is held in an income account when received and are only recognized in the Project's income statement when utilized.

Grant Receipt

IDA V3080

-

IDA D5830

2,089,213

IDA 65770

-

Direct Payments

IDA V3080

-

IDA D5830

-

IDA 65770

1,192,298

3,281,511

Regional Component: Harmonization, Data Collection, Quality

5 **Improvement, Dissemination and Use of Core Social and Economic Statistics**

Support to Household-based Surveys at the national level using harmonized methodologies (Household Surveys)

HIES

-

LFS + informal sector

-

Follow-up LFS

-

Census

3,249,669

3,249,669

Support to the Core Set of Economic Statistics at National Level using harmonized methodologies (Economic Statistics)

Enterprise censuses (NEC)

-

-

Enterprise surveys (NAAS)

55,910

Ag Census

3,000

Ag Surveys		-
2008 SNA and Rebase		-
Informal Trade		-
		58,910
Support the modernization of the CPI at the national level using harmonized methodologies (Consumer Price Index)	-	
Support to the Improvement of administrative data sources (Administrative Data)	-	
NSS Data Platforms	-	
	-	
Enhanced data accessibility and dissemination (Data Dissemination)		-
Institutional Reforms	22,000	
UL	7,736	
CEST	-	
LISGIS	-	
On the Job Training for Data Production	9,166	
On the Job Training for the use of Data and Analytics	-	
	<u>38,902</u>	
		<u>3,347,480</u>
6 Country-Specific Component: Improving or modernizing physical and statistical infrastructure		
Improving Physical and Statistical infrastructure (Country Specific Components)		-
		-
7 Project Management and Monitoring and Evaluation (M&E)		
Project Management and M&E		<u>304,166</u>
		<u>304,166</u>

8 Cash receipts through grant and other Sources

IDA grant 3,281,511

9 Cash paid

Regional Component: Harmonization, Data Collection, Quality Improvement, Dissemination and Use of Core Social and Economic Statistics

Country-Specific Component: Improving or modernizing physical and statistical infrastructure

Project Management and Monitoring and Evaluation (M&E)

Total Payments

10 Variance Explanation

LISGIS Management note the variance during the implementation of the project and emphasize that during the Project implementation January – June 2021, and its associated budget could not be executed as a result of the COVID-19 pandemic. During this period, the country was disturbed by the world's current big threat – the COVID-19. With the emergence of the virus, the Government instituted measures across the country ranging from social distancing, limiting the gathering of people, amongst other things. The emergence of the COVID-19 pandemic disrupted the implementation mainly with those activities that required group meetings, workshops, training, meeting, conference etc. Cognizant of this project mandate "statistics project (data collections)" which heavily requires deployment of a large number of field staff during training, workshop and data collection (physical engagement), LISGIS management had to shift most of its activities to July 2021 and instituted innovative approaches (video conference call through online medium) to execute some of the project deliverables, while recognizing the connectivity challenges in Liberia. Since there are now standard operating procedures for observing the country's Health protocol, granted by the Ministry of Health in collaboration with the National Public Health Institute. LISGIS management is currently executing the full implementation of the 2021 annual work plan and budget for the year 2021.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
**PROJECT DESIGNATED ACCOUNT
STATEMENT**

Account Number: 6101744972
Account Type: Current Account
Depository Bank: Ecobank (Liberia)
Limited
Address: 1th Street, Sinkor
Monrovia, Liberia

Currency: United States Dollar

	February 2021 to June 2021
Total Grant Received	3,281,511
Total grant income reported	3,281,511
Amount spent	3,651,647
Balance as at beginning	380,011
Balance as at June 30, 2021	9,875
Closing Balance Consist of:	
Petty Cash	683
Designated A/C - IDA D5830	9,192
	9,875