



Promoting Accountability of Public Resources

# AUDITOR GENERAL'S REPORT



**On the Financial Statements Audit of the  
Integrated Public Financial  
Management Reforms Project (IPFMRP)  
II Grant No.: TF12690, IDA 50260 &  
AfDB**

**For the Fiscal Period 2020/2021**

**December 2021**

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

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December 31, 2021

Hon. Samuel D. Tweah, Jr.  
Minister  
Ministry of Finance and Development Planning  
Corner of Broad and Mechlin Streets  
Monrovia, Liberia

**Ref: AUDITOR GENERAL'S REPORT ON THE FINANCIAL STATEMENTS AUDIT  
OF THE INTEGRATED PUBLIC FINANCIAL MANAGEMENT REFORMS  
PROJECT (IPFMRP) II**

**Opinion**

We have audited the accompanying financial statements of the Integrated Public Financial Management Reforms Project (IPFMRP) II financed by the ADF No 2100155034068, TSF No.5900155011455, TSF2 5900155011454 for the fiscal period ended June 30, 2021, which comprise Receipts and Payments, Statement of Comparison of Budget and Actual Amounts and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying Statements of Grant No.: TF12690, IDA 50260 & AfDB 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 other 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 World Bank guideline 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.

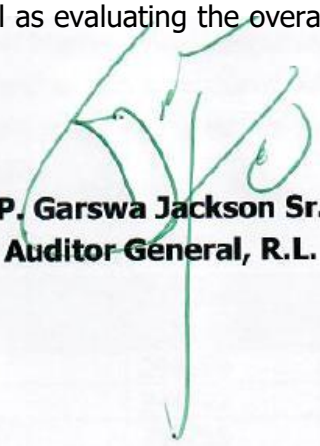
**Management Responsibility for the Statement of Receipts and Payments**

Management is responsible for the preparation and fair presentation of the Statement of Receipts and Payments in accordance with International Public Sector Accounting Standards (IPSAS) Cash Basis of Accounting and for such internal control as Management determines is necessary to enable the preparation of Statement of Receipt and Payment that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on Statement of Receipts and Payments based on our audit. We conducted our audit in accordance with International Standards of Supreme Audit Institutions (ISSAI) and the World Bank Guidelines. Those standards and the applicable World Bank guidelines required that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement of Receipts and Payments are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement of Receipts and Payments. The procedures selected depends on the auditor's judgment, including the assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the Statement of Receipts and Payments in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Statement of Receipts and Payments.



**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>		<b>Restated</b>	
	<b>Notes</b>	<b>FY July 2021 / June 2020</b>	<b>FY July 2019 / June 2020</b>
<b>Receipt</b>			
<b>IDA Grant</b>	<b>4</b>	<u><b>1,502,671</b></u>	<u><b>1,250,458</b></u>
<b>Total Receipt</b>		<u><u>1,502,671</u></u>	<u><u>1,250,458</u></u>
<b>Payments</b>			
Strengthening Transparency & Accountability in Public Financial Management	5	914,433	448,897
Revenue Mobilization & Administration	6	812,826	372,183
Program Governance Project Management	7	<u>27,508</u>	<u>4,264</u>
<b>Total Payments</b>		<u><u>1,754,767</u></u>	<u><u>825,344</u></u>
Excess of receipts over payments (payments over receipts)		(252,096)	425,114
Fund Balance as at beginning		<u>752,318</u>	<u>424,169</u>
Cumulative fund balance		<u><u>500,223</u></u>	<u><u>849,283</u></u>

Note: Total expenditures for the fiscal year is reduced by **US\$92,734** which represents GAC components under the project and total expenditures for the previous fiscal year is reduced by US\$96,965 which represent GAC components, hence reducing fund balance brought forward and closing balance. Thereby, cannot be audited by the GAC themselves.

The notes on pages 8 to 14 are integral part of these project financial report.

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

*In United States Dollars*

**Notes**   **FY July 2020 /**   **FY July 2019**  
                                  **June 2021**                                   **/ June 2020**

**A. FUND BALANCE**

Balance of Project Fund	752,318	424,169
Add: Total Receipts during the period	<u>1,502,671</u>	<u>1,250,458</u>
Total fund available for operations	2,254,989	1,674,627
Less: Total payments during the period	<u>1,754,767</u>	<u>825,344</u>
<b>Balance of project funds at the end of the year</b>	<u>500,223</u>	<u>849,283</u>

**B. CASH STATUS:**

Cash at bank	<u>500,223</u>	<u>849,283</u>
Total cash on hand and in bank	<u>500,223</u>	849,283
Difference between A and B	<u><u>-</u></u>	<u><u>-</u></u>

The notes on pages 8 to 12 are integral part of these project financial report.

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


*In United States Dollars*


<b>Activities within components</b>	<b>Project Allocation</b>	<b>Budget</b>	<b>Actual Expectation</b>	<b>Variance</b>
Strengthening Transparency & Accountability in Public Financial Management	4,589,000	1,953,500	914,433	1,039,067
Revenue Mobilization & Administration	3,910,000	2,413,600	812,826	1,600,774
Program Governance Project Management	<u>280,000</u>	<u>100,000</u>	<u>27,508</u>	<u>72,492</u>
<b>Grand Total</b>	<b><u><u>8,779,000</u></u></b>	<b><u><u>4,467,100</u></u></b>	<b><u><u>1,754,767</u></u></b>	<b><u><u>2,712,333</u></u></b>

The notes on pages 8 to 14 are integral part of these project financial reports.

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

<b>In United States Dollars</b>	<b>Notes</b>	<b>FY July 2020 / June 2021</b>	<b>FY July 2019 / June 2020</b>
<b>Assets</b>			
Cash & Cash Equivalent		<u>500,223</u>	<u>849,283</u>
Total Assets		<b>500,223</b>	<b>849,283</b>
<b>Fund Balance</b>			
Grants		<u>500,223</u>	<u>849,283</u>
Accumulated Fund Balance		<u><b>500,223</b></u>	<u><b>849,283</b></u>

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

  
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 Lawrence Taylor  
 Project Manager  
 MFDP

The notes on pages 8 to 14 are integral part of these project financial reports.



## NOTES TO THE FINANCIAL STATEMENTS

### 1. Background and Information of the Project

With support from the African Development Bank (AfDB); the IPFMR-project is geared towards increasing revenue collection and administration in the natural resource sector and to enhance transparency and accountability in the use of public funds. The IPFMR project was approved by the African Development Bank on December 11, 2011 with a grant amount of USD 3.2583 Million. The aim of the project is

- i. Improvement in the efficiency and reliability of the Government's accounting system;
- ii. Harmonize the project chart of accounts with the GOL chart of accounts;
- iii. Finalize the business processes for projects in IPFMR project;
- iv. Configure the IPFMR project; and
- v. Conduct testing

### 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
Strengthening Transparency & Accountability in Public Financial Management	330,000	100
Strengthening the Capacity of Institutions in PFM	309,000	100
Support to Integrity & Oversight Institutions & CSOs	448,800	100
Aid Management, Macroeconomic Forecasting & Financial Reporting	137,500	100
Revenue Mobilization & Administration	1,697,000	100
Program Governance Project Management	<u>336,000</u>	100
<b>Total</b>	<b><u>3,258,300</u></b>	

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

	% of Expenditure
AfDB	100
<b>Total</b>	<b><u>100</u></b>

## **NOTES TO THE 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) 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. This implies that all expenditures are expensed whether they are revenue or capital in nature and income is recognized when funds are received from the World Bank.

#### **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.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

In United States Dollars

### 4. Grant

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

Grant Receipt	FY July 2020 / June 2021	Adjusted Audited Balance June 30, 2020	Adjustment s	FY July 2019 /June 2020	Cumulati ve
ADF No 2100155034068	984,600	500,000	-	500,000	2,189,700
TSF No.5900155011455	500,000	99,985	-	99,985	1005,981
TSF2 No. 5900755011454	-	499,985	-	499,985	1,018,020
<b>Direct Payments</b>					
ADF No. 2100155034068	-	150,313	150,313	-	150,313
TSF No. 5900155011455	-	-	-	-	-
TSF No. 5900155011454	-	-	-	-	-
Other	18,071	175	-	175	18,346
	<u>1,502,671</u>	<u>1,250,458</u>	<u>150,313</u>	<u>1,100,145</u>	<u>4,382,360</u>

### 5. Strengthening Transparency & Accountability in Public Financial Management

#### IFMIS Infrastructural Upgrade

IFMIS Infrastructural Upgrade/  
 IFMIS Infrastructural and Data Center Modernized

	<u>138,936</u>	<u>207,398</u>	<u>93,324</u>	<u>114,075</u>	<u>425,710</u>
	<b>138,936</b>	<b>207,398</b>	<b>93,323</b>	<b>114,075</b>	<b>425,710</b>

#### Strengthening the Capacity of PFM Institutions

Support to the CAG Office	213,332	87,065	5,877	81,188	356,034
Support to strengthen the LIPA	43,316	9,945	-	9,945	68,971
Support to strengthen the LICPA	40,214	2,841	-	2,841	66,780
	<u>296,861</u>	<u>99,851</u>	<u>5,877</u>	<u>93,974</u>	<u>491,785</u>

#### Support to Integrity & Oversight Institutions & CSO

Strengthen Internal Controls & Audit	30,735	6,876	-	6,876	71,604
Support to SoE Financial Reporting Unit	-	35,419	-	35,419	78,127
Support to Liberia Anti-Corruption Commission	74,291	9,436	-	9,436	137,320
Support to Non-State Actor Secretariat (NAS)	123,124	70,809	-	70,809	267,213
Strengthen the Public Accounts Committee	-	-	-	-	22,963
	<u>228,150</u>	<u>122,539</u>	<u>-</u>	<u>122,539</u>	<u>577,228</u>

### Aid Management, Macroeconomic Forecasting & Financial Reporting

Support to Economic Management					
Department	47,163	2,900	-	2,900	78,808
Support to Aid Management Unit	203,322	16,209	-	16,209	315,136
	<u>250,485</u>	<u>19,109</u>	<u>-</u>	<u>19,109</u>	<u>393,944</u>
	<b>914,433</b>	<b>448,897</b>	<b>99,200</b>	<b>349,697</b>	<b>1,888,667</b>

### 6. Revenue Mobilization & Administration

Strengthening Revenue Mobility and Administration	686,932	316,852	51,818	265,034	1,221,442
Support to LEITI's Transition	29,947	-	-	-	29,947
Strengthening Capacity of the African Peer Review Mechanism	62,777	2,009	-	2,009	164,470
Broadening the Public Discourse Platform on Natural Resource Governance & Mobilization	33,170	53,322	7,200	46,122	233,556
Support to the Financial Intelligence Unit	-	-	-	-	63,330
	<u>812,826</u>	<u>372,183</u>	<u>59,019</u>	<u>313,165</u>	<u>1,712,744</u>

### 7. Program Governance Project Management

Project Coordination	27,508	4,264	(7,200)	11,464	124,562
	<u>27,508</u>	<u>4,264</u>	<u>(7,200)</u>	<u>11,464</u>	<u>124,562</u>

### 8. Cash receipts through grant and other Sources

IDA grant	1,502,671	1,250,458	150,313	1,100,145	4,382,360
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### 9. Cash paid

Strengthening Transparency & Accountability in Public Financial Management	914,433	448,897	99,200	349,697	1,888,667
Revenue Mobilization & Administration	812,826	372,183	59,019	313,165	1,712,744
Program Governance Project Management	27,508	4,264	(7,200)	11,464	124,562
<b>Total Payments</b>	<b>1,754,767</b>	<b>825,344</b>	<b>151,019</b>	<b>674,326</b>	<b>3,725,973</b>

Note: Total expenditures for the fiscal year is reduced by **US\$92,734** which represents GAC components under the project and total expenditures for the previous fiscal year is reduced by **US\$96,965** which represents GAC components, hence reducing fund balance brought forward and closing balance. Thereby, cannot be audited by the GAC themselves. The adjustment of **US\$150,313** consists of **US\$99,200** direct payment made to Mweta and **US\$51,113** direct payment made to S&P Global by the African Development Bank respectively which forms part of

the receipt and disbursement as well. The adjustment of **US\$7,200** was payment made to A Barclay which was inadvertently captured under project coordination instead of the Resource Government & Mobilization.

## NOTES TO THE FINANCIAL STATEMENTS (Continue)

In United States Dollars

### 10. Analysis of Variances

Activities within components	Project Allocation	Budget	Actual Expenditure	Variance	% of Variance
<b>Strengthening Transparency &amp; Accountability in Public Financial Management</b>					
IFMIS Infrastructural Upgrade Procure, Install and deployed e-procurement application for improving Public Sector	1,635,000	1,010,300	138,936	871,364	86.25
Procurement	700,000	-	-	-	-
<b>Strengthening the Capacity of Institutions in PFM</b>					
Support to the CAG Office	330,000	85,000	213,332	128,332	-150.98
Support to strengthen the LIPA	150,000	50,000	43,316	6,684	13.37
Support to strengthen the LICPA	135,000	70,300	40,214	30,086	42.80
	<b>615,000</b>	<b>205,300</b>	<b>296,861-</b>	<b>91,561</b>	<b>44.60</b>
<b>Support to Integrity &amp; Oversight Institutions &amp; CSOs</b>					
Strengthen Internal Controls & Audit	150,000	53,000	30,735	22,265	42.01
Support to SoE Financial Reporting Unit	135,000	59,000	30,735	22,265	42.01
Support to Liberia Anti-Corruption Commission	280,000	180,000	74,291	105,710	58.73
Support to Non-State Actor Secretariat (NAS)	240,000	85,000	123,124	38,124	44.85
Strengthen the Public Accounts Committee	68,000	27,000	-	27,000	100.00
	<b>873,000</b>	<b>404,000</b>	<b>228,150</b>	<b>175,850</b>	<b>43.53</b>

## NOTES TO THE FINANCIAL STATEMENTS (Continue)

In United States Dollars

### Aid Management, Macroeconomic Forecasting & Financial Reporting

Support to Economic Management Department	215,000	86,200	47,163	39,037	45.29
Support to Aid Management Unit	281,000	91,000	203,322	-112,322	-123.43
	<b>496,000</b>	<b>177,200</b>	<b>250,485</b>	<b>73,285</b>	<b>41.36</b>

### Revenue Mobilization & Administration

Strengthening Revenue Mobilization and Administration	2,108,000	1,605,600	686,932	918,668	57.22
Support to LEITI's Transition	606,000	181,800	29,947	151,853	83.53
Strengthening Capacity of the African peer Review Mechanism	350,000	232,000	62,777	169,223	72.94
Broadening the Public Discourse Platform on Natural Resource Governance & Mobilization	294,000	200,800	33,170	167,630	83.48
Support to the Financial Intelligence Unit	352,000	193,400	-	193,400	100.00
	200,000	-	-	-	-
	<b>3,910,000</b>	<b>2,413,600</b>	<b>812,826</b>	<b>1,600,774</b>	<b>66.32</b>

### Program Governance Project Management

Project Coordination	<b>280,000</b>	<b>100,000</b>	<b>27,508</b>	<b>72,492</b>	72.49
<b>Grand Total</b>	<b>8,509,000</b>	<b>4,310,400</b>	<b>1,754,767</b>	<b>2,555,633</b>	<b>59.29</b>

## 11. Variance Explanation

Those variances are due to the project office not fully implementing those activities budgeted for during the period.

**NOTES TO THE FINANCIAL STATEMENTS** (Continue)

**12. PROJECT DESIGNATED ACCOUNT STATEMENT**

**Account Number:** 1602003220 / 1602003237 / 1602003244

**Account Type:** Current Account

**Depository Bank:** Central Bank of Liberia

**Address:** Ashmun Street  
 Monrovia, Liberia

**Currency:** United States Dollars

	<i>In United States Dollars June 2021</i>	<i>In United States Dollars June 2020</i>
Total Grant received	<u>1,502,671</u>	<u>1,250,458</u>
<b>Total grant income reported</b>	<u><u>1,502,671</u></u>	<u><u>1,250,458</u></u>
Amount spent	1,754,767	835,344
Balance as at beginning	<u>752,318</u>	<u>424,169</u>
Balance as at June 30, 2019	<u><u>500,223</u></u>	<u><u>849,283</u></u>
<b>Closing Balance Consist of:</b>		
02/205/300002/04 (Central Bank of Liberia) – ADF	(21,919)	172,704
02/205/300002/02 (Central Bank of Liberia) – TSF 1	378,160	94,418
02/205/300002/03 (Central Bank of Liberia) – TSF 2	50,561	484,895
Petty Cash	687	300
	<u><u>407,489</u></u>	<u><u>752,318</u></u>