



Promoting Accountability of Public Resources

AUDITOR GENERAL'S REPORT

**LIBERIA ROAD ASSET MANAGEMENT
PROJECT LIBRAMP**

For the Fiscal Period

December 2021

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



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December 31, 2021

Hon. Ruth Coker-Collins
Deputy Minister for Technical Services/Acting Minister
Ministry of Public Works
Lynch Street
Monrovia, Liberia

Dear Hon. Coker-Collins:

AUDITOR GENERAL'S REPORT ON THE FINANCIAL STATEMENT AUDIT OF THE LIBERIA ROAD ASSET MANAGEMENT PROJECT (LIBRAMP) FOR THE PERIOD JULY 1, 2020 TO JUNE 30, 2021.

Opinion

We have audited the accompanying financial statements of the Liberia Road Asset Management Project (LIBRAMP) IDA No 49500, 51670, & 60370 and TF 99588 for the fiscal period ended June 30, 2021, which comprise the statement of Receipts and Payments, Statement of Comparison of Budget and Actual Amount and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements (Grant Agreement No P125574, IDA Cr. 49500, 51670, & 60370, TF 99588) present fairly in all material respects the Statement of Receipts and Payments as at June 30, 2021, Statement of Comparison of Budget and Actual Amount and a summary of significant accounting policies and other explanatory information 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 for Supreme Audit Institutions (ISSAI's). 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'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 LIBRAMP 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**

In United States Dollars	Notes	2021 June	2020 June	Cumulative
Receipt				
IDA Grant & TF	4	10,945,841	9,228,846	222,169,639
Total Receipt		<u>10,945,841</u>	<u>9,228,846</u>	<u>222,169,639</u>
Payments				
Component 1-Civil Works	5	11,688,017	9,838,045	194,803,976
Component 2-Consultancy Services	6	6,599,297	3,036,930	27,219,836
Total Payments		<u>18,287,314</u>	<u>12,874,974</u>	<u>222,023,812</u>
Excess of receipts over payments (payments over receipts)		(7,341,472)	(3,646,128)	(10,987,600)
Fund Balance as at beginning		<u>7,487,300</u>	<u>11,133,428</u>	<u>11,133,428</u>
Cumulative fund balance		<u>145,827</u>	<u>7,487,300</u>	<u>145,828</u>

NB: activities and amount heighted are reclassified

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

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

In United States Dollars	Notes	2021 June	2020 June
A: FUND BALANCE			
Balance of Project Fund		7,487,300	11,133,428
Add: Total Receipts during the period		<u>10,945,841</u>	<u>9,228,846</u>
 Total fund available for operations		 18,433,141	 20,362,274
Less: Total payments during the period		<u>18,287,314</u>	<u>12,874,974</u>
 Balance of project funds at the end of the year		 <u>145,827</u>	 <u>7,487,300</u>
 B. CASH STATUS:			
Cash at bank		145,827	7,487,300
Difference between A and B		<u>-</u>	<u>-</u>
Total cash on hand and in bank		<u>145,827</u>	<u>7,487,300</u>

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

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


Analysis of Variance

Activities within components In United States Dollars	Note	Project Allocation	Budget	Actual Expectation	Variance	% of Variance
Component 1- Civil Works	9	267,800,000	15,900,000	11,688,017	4,211,983	26.49
Component 2- Consultancy Services		46,600,000	6,808,765	6,599,297	209,468	3.08
Grand Total		314,400,000	22,708,765	18,287,314	4,421,451	19.47


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

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

<i>In United States Dollars</i>	Notes	2021 June	2020 June
Assets			
Cash & Cash Equivalent		<u>145,827</u>	<u>7,487,300</u>
Total Assets		<u><u>145,827</u></u>	<u><u>7,487,300</u></u>
Fund Balance			
Grants		<u>145,827</u>	<u>7,487,300</u>
Accumulated Fund Balance		<u>145,827</u>	<u>7,487,300</u>



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



Emmanuel Baker
Program Manager – LIBRAMP
MPW

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

NOTES TO THE FINANCIAL STATEMENTS

1. Background and Information of the Project

With support from the World Bank (WB), the Liberia Road Asset Management Project is geared towards supporting the effort of the Liberian government's effort to reduce transport costs along the road corridor from Monrovia to the Guinea border and maintaining the road in good condition over a 10-year period. The LIBRAMP project was approved by the World Bank on July 13, 2011 December 19, 2012 & July 25, 2017 with a grant amount of USD 314.4 Million. The aim of the project is

- i. To design, rehabilitate and maintain the Monrovia (Red Light)-Ganta-Guinea border road;
- ii. Financing a consultancy services firm to perform as MCs for the OPRCs, and also financing the needed technical assistance for the preparatory road feasibility studies and the development of sector institutions through hiring of skilled staff and firms, and training programs including operation costs;

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
Civil Works	220,000,000	100
Consultancy Services	46,600,000	100
GOL Contribution	<u>47,800,000</u>	100
Total	<u>314,400,000</u>	

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

	% of Expenditure
IDA	100
Total	<u>100</u>

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) 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.

Grant/Credit/Loan Receipts

Grant/Credit/Loan from donors for the LIBRAMP 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 LIBRAMP 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 Word Bank.

Tax

The project is 100 percent inclusive of tax.

NOTES TO THE FINANCIAL STATEMENTS (continued)

In United States Dollars	2021 June	2020 June	Cumulative
4. Grant Receipt			
IDA 49500-Designated A/C	-	-	14,044,289
IDA 51670-Designated A/C	-	-	11,123,737
IDA 60370-Designated A/C	-	-	7,329,567
TF99588-Direct Payment	3,519,806	1,859,889	107,583,461
IDA 49500-Direct Payment	1,508,488	797,095	46,729,074
IDA 51670- Direct Payment	334,019	-	22,106,530
IDA 60370--Direct Payment	5,583,528	6,568,832	13,241,399
Sales of Bids	-	3,030	11,582
Total Receipt	10,945,841	9,228,846	222,169,639
5. Component 1-Civil Works			
Lot 1: Monrovia to Gbarnga-Works (CICO)	6,484,394	7,394,698	141,288,209
Lot 2: Gbarnga-Ganta Guinea Border (CHICO)	3,251,309	1,231,393	48,319,209
Sub-Component 1.2-ELWA to Redlight Road	1,952,314	1,211,954	5,196,558
Sub-Component 1.3-ELWA Intersection	-	-	-
	11,688,017	9,838,045	194,803,976
6. Component 2-Consultancy Services			
Lot 1: Monitoring Supervision Consultancy (OPUS)	60,581	867,259	6,717,057
Lot 2: Monitoring Supervision Consultancy (IMC)	937,222	228,539	3,494,069
Supervision Consultancy for ELWA Intersection	-	-	604,463
Two Year Technical Audit	-	30,000	219,236
3 Year Institutional Capacity Building	-	-	108,805
2-Year Strategic Investment Plan	-	-	-
2- Year Multi Modal Transport Plan	-	-	-
Component Other Consultancy	-	8,850	555,099
Road Asset Manager	-	-	-
Pavement Management Specialist	-	-	-
TSG	-	378,590	2,899,083

*Auditor General's Report on the Financial Statement Audit of the
Liberia Road Asset Management Project (LIBRAMP)
For the fiscal Period ended June 30, 2021*

TST Consultant	201,019	190,375	1,729,932
Short-term Experts "Call off"	-	-	-
Operating Expenses-PFMU & IIU	1,147,289	832,712	5,373,837
Tiger Party	32,500	-	351,284
RAP Settlement	3,244,147	398,239	4,088,066
Road Safety	976,539	102,367	1,078,905
Price Contingency	-	-	-
	<u>6,599,297</u>	<u>3,036,930</u>	<u>27,219,836</u>

7. Cash receipts through grant and other Sources

IDA grant & TF	<u>10,945,841</u>	<u>9,228,846</u>	<u>222,169,639</u>
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8. Cash paid

Component 1 - Civil Works	11,688,017	9,838,045	194,803,976
Component 2 - Consultancy Services	6,599,297	3,036,930	27,219,836
	<u>18,287,314</u>	<u>12,874,974</u>	<u>222,023,812</u>
Total Payments	<u>18,287,314</u>	<u>12,874,974</u>	<u>222,023,812</u>

NOTES TO THE FINANCIAL STATEMENTS (Continue)

11. PROJECT DESIGNATED ACCOUNT STATEMENT

Account Number: 6100063682 / 6100063982 / 6100403032
Account Type: Current Account
Depository Bank: Eco Bank Liberia Limited
Address: 11 Street, Sinkor
 Monrovia, Liberia

In United States Dollars	2021 June	2020 June
Total Grant received	<u>10,945,841</u>	<u>9,228,846</u>
Total grant income reported	<u>10,945,841</u>	<u>9,228,846</u>
Amount spent	(18,287,314)	(12,874,974)
Balance as at beginning	<u>7,487,300</u>	<u>11,133,428</u>
Balance as at June 30, 2020	<u>145,827</u>	<u>7,487,300</u>
Closing Balance Consist of:		
IDA 49500: Ecobank 1	22,580	614,203
IDA 51670: Ecobank 2	96,453	1,844,368
IDA 60370: Ecobank 3	23,571	5,012,728
Petty Cash-PFMU	1,580	6,000
Petty Cash-IIU	1,643	10,000
	<u>145,827</u>	<u>7,487,300</u>