



Promoting Accountability of Public Resources

AUDITOR GENERAL'S REPORT



**On The Financial Statement Audit of the Liberia
Technical and Capacity Building Assistance
Project (TCBAP) Grant No.: 5900155014451**

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 STATEMENT AUDIT OF THE
LIBERIA TECHNICAL AND CAPACITY BUILDING ASSISTANCE PROJECT (TCBAP)**

Opinion

We have audited the accompanying financial statements of the Liberia Technical and Capacity Building Assistance Project (TCBAP) financed by the AfDB: Grant Receipt No. 5900155014451 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 Receipt No. 5900155014451 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.

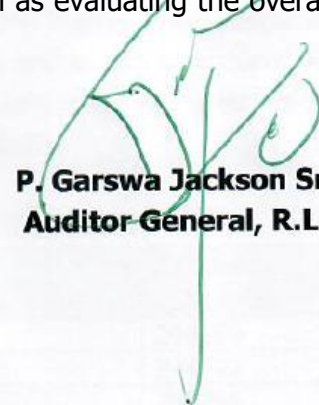
Management Responsibility for the Statement of Receipts and Payments

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**

In United States Dollars

	Notes	FY July 2020 - June 2021	FY July 2020 - June 2021
Receipt			
IDA Grant	4	736,200	-
Total Receipt		<u>736,200</u>	<u>-</u>
Payment			
Support for the preparation of the National Development Strategy (PAPD)	5	20,992	90,792
Strengthening Macroeconomic Planning & Analyses	6	8,279	208,582
Development of special economic /agro processing zones	7	39,661	-
Others	8	422,158	11,721
Total Payments		<u>491,091</u>	<u>311,095</u>
Excess of receipts over payments (payments over receipts)		245,109	(311,095)
Fund Balance as at beginning		86,219	397,313
Cumulative fund balance		331,328	86,218

The notes on pages 8 to 16 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	FY June 2021	FY June 2020
A. Fund Balance			
Balance of Project Fund		86,218	397,313
Add: Total Receipt during the period		<u>736,200</u>	<u>-</u>
Total funds available for operation		<u>822,418</u>	<u>397,313</u>
Less: Total payments during the period		<u>(491,091)</u>	<u>(311,095)</u>
Balance of project funds at the end of the year		331,327	86,218
B. Cast status			
Cash at bank		<u>331,327</u>	<u>86,218</u>
Total cash on hand and in bank		<u>331,327</u>	<u>86,218</u>
Difference between A and B			-

The notes on pages 8 to 16 are integral part of these project financial reports.

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


Activities within components	Project Allocation	Budget	Actual Expenditure	Variance
Support fo the preparation of the national development strategy (PAPD)	539,000	453,400	20,992	432,408
Strengthening Macroeconomic Planning and analysis	525,000	574,500	8,279	566,221
Development of special economic agro processing zones	252,000	208,000	39,661	168,339
Others	84,000	164,100	422,158	258,058
Grand Total	<u>1,400,000</u>	<u>1,400,000</u>	<u>491,091</u>	<u>908,909</u>

The notes on pages 8 to 16 are integral part of these project financial reports.

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

In United States Dollars

	Notes	FY July 2020 / June 2021	FY July 2019 / June 2020
Assets			
Cash and cash equivalent		<u>331,327</u>	<u>86,218</u>
Total Assets		<u>356,114</u>	<u>86,218</u>
Fund Balance			
Grants		<u>331,327</u>	<u>86,218</u>
Accumulated Fund Balance		<u>331,327</u>	<u>86,218</u>



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



 Lawrence Taylor
 Project Manager
 MFDP

The notes on pages 8 to 16 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 TCBA-project is geared towards helping to address the weak human and institutional capacity constraints; and building more resilience to strengthen the Government of Liberia's capacity. The TCBA project was approved by the African Development Bank on December 06, 2018 with a grant amount of USD 1.400 Million. The aim of the project is

- i. Support the preparation of the Government of Liberia New National Development plan (PAPD);
- ii. Strengthen the macroeconomic planning and analyses with the MFDP through staff exchanges, short courses and study tours to enhance GoL's capacity for an effective delivery of the PAPD; and
- iii. Undertake studies to support the development of special economic/Agro processing Zones

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
Support for preparation of the National Development Strategy (PADP)	539,000	100
Strengthening Macroeconomic Planning & Analyses	525,000	100
Development of Special Economic/Agro Processing Zones	252,000	100
Others	<u>84,000</u>	100
Total	<u>1,400,000</u>	

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

	% of Expenditure
AfDB	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) 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

**FY July 2020 /
June 2021** **2019
July-
2020
June** **Cumulative**

4. Grant

Grant form TCB-MFDB is held in a deferred income account when received and are only recognized in the Project's income statement when utilized.

Grant Receipt

ADF No. 200155034068	736,200	-	1,136,200
Other	-	-	-
	<u>736,200</u>	<u>-</u>	<u>1,136,200</u>

Support for the Preparation of the national development strategy

5. (PAPD)

Develop energy sector strategy & program under PAPD & prepare an action Plan	-	647	647
Development Agriculture sector strategy & programs under PAPD	-	-	-
Development Transport sector strategy & programs under PAPD	-	-	-
Consultant to advance on governance policies & programs at GAC under PAPD	-	-	-
Support the EPA to integrate green growth, environmental resilience and adaptation into the PAPD	20,881	41,745	62,626
Capacity building in Project Management, Project Appraisal and Monitoring and Evaluation of Development Projects for effective delivery	-	7,200	7,200
Develop the capacity of RCU, PMU and PFMU in Project Planning & Management of Development Projects for effective delivery	111	41,200	41,311
	<u>20,992</u>	<u>90,792</u>	<u>111,784</u>

In United States Dollars

	FY July 2020 / June 2021	2019 July- 2020 June	Cumulative
6. Strengthening Macroeconomic Planning & Analyses			
Conduct training for 10 staff in economic research analyses, modeling report writing and use of statistical packages (EView, apss, stata, r, and MAT LAB)	-	94,166	94,166
Procure statistical packages for macroeconomic analyses for the Economic Management Department	-	-	-
10 staff to undertaking study tours to other countries to acquire best practice and experience in economic management	-	-	-
Procure the necessary working tools (computers, and survey tablets) to enhance productivity	-	25,577	25,577
Undertake macroeconomic planning and management training for Senior Management	-	15,305	15,305
Undertake secondment program of 6 staff to Ghana & Rwanda	-	32,362	32,362
Deploy technical staff within the EMD to provide hands on training for staff Of MFDP in macroeconomic planning and analyses	-	-	-
Revamp and relocate the program Delivery Unit within the MFDP	8,279	26,950	35,229
Procure 1 projector to be used for representation	-	-	-
Procure 2 printers to be used in the EMD	-	1,973	1,973
Purchase a result tracking/M&E software and conduct training on the use of the software	-	12,249	12,249
	8,279	208,582	216,861
7. Development of Special Economic/Agro Processing Zones			
Conduct feasibility studies on the creation of special economic/Agro Processing Zones-including the scope, public and private participation, land Use, benefits, complementary policies and institutional framework	39,661	-	39,661
Carry on a staple foods value chain analysis and develop a comprehensive report with recommendations	-	-	-
	39,661	-	39,661

In United States Dollars

	FY July 2020 / June 2021	2019 July- 2020 June	Cumulative
8. Other			
Operations and Project Audit	422,158	11,721	411,781
Contingency	-	-	-
	<u>422,158</u>	<u>11,721</u>	<u>411,781</u>
	<u>491,091</u>	<u>311,095</u>	<u>788,114</u>
9. Cash receipt through grant and other sources			
IDA grant	736,200	-	1,136,200
10. Cash paid			
Support for the Preparation of the national development strategy (PAPD)	20,992	90,792	111,784
Strengthening Macroeconomic Planning & Analysis	8,279	208,582	216,861
Development of Special Economic/Agro Processing Zones	39,661	-	39,661
Others	422,158	11,721	411,781
	<u>491,090</u>	<u>311,095</u>	<u>802,185</u>

NOTES TO THE FINANCIAL STATEMENTS (Continue)

Analysis of Variance

Activities within Components	Project Allocation	Budget	Actual Expenditure	Variance	% of variance
Support for the Preparation of the National development Strategy (PAPD)					
Development energy sector strategy & program under PAPD & Prepare an action plan	75,000	60,000	-	60,000	100.00
Development Agriculture sector strategy & program under PAPD	75,000	70,000	-	70,000	100.00
Develop Transport sector strategy & program under PAPD	75,000	70,000	-	70,000	100.00
Consultant to advice on governance policies & programs at the GAC under PAPD	75,000	70,000	-	70,000	100.00
Support the EPA to integrate green growth, environmental resilience and adaptation	75,000	70,000	20,881	49,119	70.17
Capacity Building in project Management, project Appraisal and Monitoring and E	80,000	63,400	-	63,400	100.00
Development the capacity of RCU, PMU and PFMU in project planning & management	84,000	50,000	111	49,889	99.37
	453,400	453,400	20,992	432,408	95.37

Strengthening Macroeconomic Planning & Analyses

Conduct training for 10 staff in economic research analyses, modeling report writing and use of statistical packages (EView, apss, stata, r, and MAT LAB)	160,000	210,000	-	210,000	100.00
Procure statistical packages for macroeconomic analyses for the Economic Management Department	12,000	12,000	-	12,000	100.00
10 staff to undertaking study tours to other countries to acquire best practice And experience in economic management	60,500	60,500	-	60,500	100.00
Procure the necessary working tools(computers, and survey tablets) to enhance productivity	40,000	40,000	-	40,000	100.00
Undertake macroeconomic planning and management training for Senior Management	44,160	43,700	-	43,000	100.00
Undertake secondment program of 6 staff to Ghana & Rwanda	33,000	33,000	-	33,000	100.00
Deploy technical staff within the EMD to provide hands on training for staff Of MFDP in macroeconomic planning and analyses	75,200	75,200	-	75,000	100.00
Revamp and relocate the program Delivery Unit within the MFDP	44,800	44,800	8,279	36,521	81.52
Procure 1 projector to be used for representation	2,000	2,000	-	2,000	100.00
Procure 2 printers to be used in the EMD	4,690	4,690	-	4,690	100.00
Purchase a result tracking/M&E software and conduct training on the use of the software	4,650	48,610	-	48,610	100.00
	525,000	574,500	8,279	566,221	98.56

Development of Special Economic/Agro Processing Zones

Conduct feasibility studies on the creation of special economic/Agro Processing Zones-including the scope, public and private participation, land Use, benefits, complementary policies and institutional framework	126,000	104,000	39,661	64,339	61.86
Carry on a staple foods value chain analysis and develop a comprehensive report with recommendations	126,000	104,000	-	104,000	100.00
	252,000	208,000	39,661	168,339	80.93

*Auditor General's Report on the Financial Statement
 Audit of the Technical and Capacity Building Assistance
 Project (TCBAP) for the fiscal Period ended June 30, 2021*

Others

Operations and Project Audit

Contingency

56,000	100,000	422,158	-322,158	-322.16
28,000	64,100	-	64,100	100.00
84,000	164,100	422,158	-258,058	-157.26
1,400,000	1,400,000	491,090	908,909	64.92

Grand Total

NOTES TO THE FINANCIAL STATEMENTS (Continue)

PROJECT DESIGNATED ACCOUNT STATEMENT

Account Number: 6100063542
Account Type: Current Account
Depository Bank: Ecobank Liberia
Address: 11th Street, Sinkor
 Monrovia, Liberia

Currency: United States Dollars

	June 2021	June 2020
Total Grant received	736,200	-
Total grant income reported	<u>736,200</u>	<u>-</u>
Amount spent	(491,091)	(311,095)
Balance as at beginning	86,218	397,313
Balance as at June 30, 2021	331,328	86,218
Closing Balance Consist of:		
02/205/300002/04 (Central Bank of Liberia)-ADF	<u>330,828</u>	<u>86,068</u>
Petty Cash	<u>500</u>	<u>150</u>
	<u>331,328</u>	<u>86,218</u>