



Promoting Accountability of Public Resources

AUDITOR GENERAL'S REPORT

**On the Financial Statement Audit of the
Youth Entrepreneurship & Employment
Project (YEEP)**

for the period ended June 30, 2021

December 2021

**P. GARSWA JACKSON SR., ACCA, CFIP, CFC
AUDITOR GENERAL, R. L.**



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December 31, 2021

Hon. Dester Zeogar Wilson

Minister

Ministry of Youth and Sports

Monrovia, Liberia

Dear Hon. Wilson:

**RE: AUDITOR GENERAL'S REPORT ON THE FINANCIAL STATEMENT AUDIT OF THE
YOUTH ENTREPRENEURSHIP & EMPLOYMENT PROJECT (YEEP).**

Opinion

We have audited the accompanying financial statements of the Youth Entrepreneurship & Employment Project (YEEP) for the year ended June 30, 2021. These financial statements comprise the statement of Receipts and Payments, statement of financial performance, 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 (Project SAT Number: P-LR-KB0-001; Grant Number: FAPA: 5700155002551/ TSF: 5900155010401) present fairly, in all material respects, the financial position of the Youth Entrepreneurship & Employment Project (YEEP) for the period ended June 30, 2021 and its financial performance for the year then ended in accordance with the International Public Sector Accounting Standards (IPSAS) Cash Basis of Accounting.

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 YEEP 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	2021 June	2020 June	Cummulative
Receipt				
AfDB Grant	4	467,755	938,305	2,152,551
Toptal Receipt		<u>467,755</u>	<u>938,305</u>	<u>2,152,551</u>
Payment				
Skills Development, job readiness & MYS Institutional Support	5	115,954	576,271	922,733
Entrepreneurship Development	6	352,502	239,780	714,614
Capacity building of PIU	7	-	-	106,791
Other Administration costs and contingency	8	41,120	122,935	391,108
Project Evaluation	9	1,723	-	1,723
Audit	10	-	4,500	14,210
Total Payments		<u>511,299</u>	<u>943,485</u>	<u>2,151,178</u>
Excess of receipts over payments (payments over receipts)		(43,544)	(5,180)	1,373
Fund Balance as at beginning		<u>44,916</u>	<u>50,096</u>	<u>-</u>
Cummulative fund balance		<u>1,372</u>	<u>44,916</u>	<u>1,373</u>

The notes on page 8 to 12 are integral parts of these reports

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

<i>In United States Dollars</i>	Notes	2021 June	2020 June
A Fund Balance			
Balance of Project Fund		44,916	50,096
Add: Total Receipts during the period		<u>467,755</u>	<u>938,305</u>
Total Fund available for operations		512,671	988,401
Less: Total Payments during the period		<u>511,299</u>	<u>943,485</u>
Balance of project fund at the end of the year		1,372	44,916
B Cash Status:			
Cash at Bank		<u>1,372</u>	<u>44,916</u>
Total Cash on hand and in bank		<u>1,372</u>	<u>44,916</u>
Difference between A and B		<u>0</u>	<u>-</u>

The notes on page 8 to 12 are integral parts of these reports

*AUDITOR GENERAL'S REPORT On the Financial Statement Audit of the
Youth Entrepreneurship & Employment Project (YEEP)
for the period ended June 30, 2021*

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

11. Ananalysis of Variance

Activities Within Components	Project Allocation	Budget	Actual Expenditure	Variance
	US\$	US\$	US\$	US\$
Skills Development, job readiness & MYS Institutional Support	1,055,000	854,460	115,954	738,506
Entrepreneurship Development	599,050	300,000	352,502	- 52,502
Capacity building of PIU	106,791	106,791	-	106,791
Other Administration costs and contingency	526,617	115,605	41,120	74,484
Project Evaluation	88,052	88,052	1,723	86,329
Audit	15,000	4,500	-	4,500
Grand Total	2,390,510	1,469,407	511,299	958,108

The notes on page 8 to 12 are integral parts of these reports

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

<i>In United States Dollars</i>	Notes	2021 June	2020 June
Assets			
Cash and cash equivalent		<u>1,372</u>	<u>44,916</u>
Total Assets		1,372	44,916
Fund Balance			
Grants		<u>1,372</u>	<u>44,916</u>
Accumulated Fund Balance		<u><u>1,372</u></u>	<u><u>44,916</u></u>



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



 Jesse H. Bengu
 Project Manager-PMU
 YEEP

The notes on page 8 to 12 are integral parts of these reports

NOTES TO FINANCIAL STATEMENTS

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1. Background and Information of the Project

With support from the African Development Bank (AfDB); the YEE-project is geared towards promoting youth entrepreneurship through improving their business skills and improving youth employability by empowering them with relevant skills required by the job market. The YEE project was approved by the African Development Bank on September 28, 2016 with a grant amount of USD 2.4 Million. The aim of the project is

- i. To improve youth entrepreneurship through improving their business skills;
- ii. To improve youth employability by empowering them with relevant skills required by the job market;
- iii. To expand businesses started by young people;
- iv. Increased employment and income of young people; and
- v. Establishment of innovative and sustainable programs on youth entrepreneurship and employment in Liberia.

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
Skills Development, job readiness & MYS Institutional Support	1,152,542	100
Entrepreneurship Development	599,050	100
Capacity building of PIU	106,791	100
Other Administration costs and contingency	526,617	100
Audit	15,000	100
Total	2,400,000	

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

	% of Expenditure
AfDB	100
Total	100

NOTES TO FINANCIAL STATEMENTS *(continued)*

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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 Agreement as required by the African Development Bank 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.

Loan Receipts

Loan from donors for the YEE project is recognized and reported in the Statement of Receipt and Payment as income when received and held in a bank account called Special income account for disbursement purposes. All payments for the YEE project and activities are made from the special 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 African Development Bank.

Tax

The project is 100 percent exclusive of tax.

NOTES TO THE FINANCIAL STATEMENTS (continued)

In United States Dollars

	2021 June	2020 June	Cumulative
4 Grant			
Grant from YEPP is held in a deferred income account when received and are only recognized in the Project's income statement when utilized.			
Grant Receipt			
TSF No.5900155011455	-	73,081	216,269
TSF No.5900155011455	-	49,173	299,635
AfDB-Direct Payments	467,755	816,051	1,636,647
Other	-	-	-
	<u>467,755</u>	<u>938,305</u>	<u>2,152,551</u>
5 Skills Development & MYS Institutional Support	700	576,271	807,479
Job readiness	115,254	-	115,254
	<u>115,954</u>	<u>576,271</u>	<u>922,733</u>
6 Entrepreneurship Development	352,502	239,780	714,614
	<u>352,502</u>	<u>239,780</u>	<u>714,614</u>
7 Capacity building of PIU	-	-	106,791
	<u>-</u>	<u>-</u>	<u>106,791</u>
8 Other Administration costs and contingency	41,120	122,935	391,108
	<u>41,120</u>	<u>122,935</u>	<u>391,108</u>
8 Project Evaluation	1,723	-	1,723
	<u>1,723</u>	<u>-</u>	<u>1,723</u>
9 Audit	-	4,500	14,210
	<u>-</u>	<u>4,500</u>	<u>14,210</u>
10 Cash receipts through grant and other Sources			
IDA grant	467,755	938,305	2,152,551
11 Cash paid			
Skills Development, job readiness & MYS Institutional Support	115,954	576,271	922,733
Entrepreneurship Development	352,502	239,780	714,614
Capacity building of PIU	-	-	106,791
Other Administration costs and contingency	41,120	122,935	391,108
Project Evaluation	1,723	-	1,723
Audit	-	4,500	14,210
Total Payments	<u>511,299</u>	<u>943,485</u>	<u>2,151,178</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

Ananalysis of Variance

Activities Within Components

	Project Allocation US\$	Budget US\$	Actual Expenditu re US\$	Variance US\$	% of Variance
Skills Development & MYS Institutional Support	643,500	623,960	700	623,260	99.89
Job readiness	411,500	230,500	115,254	115,246	50.00
Entrepreneurship Development	599,050	300,000	352,502	52,502	-17.50
Capacity building of PIU	106,791	106,791	-	106,791	100.00
Other Administration costs and contingency	526,617	115,605	41,120	74,484	64.43
Project Evaluation	88,052	88,052	1,723	86,329	98.04
Audit	15,000	4,500	-	4,500	100.00
Grand Total	2,390,510	1,469,407	511,299	958,109	65.20

The observation is well noted. However, we wish to state that all the components of the project were affected due to Covid – 19.

The PIU could not executive most of its youth – based and empowerment activities due to the mandate passed by the Government limiting the number at gathering.

Some programs are currently under execution due to the ease on restriction imposed.

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

Account Number: 6100063462/6100063732
Account Type: Current Account
Depository Bank: Ecobank Lineria Limited
Address: 11th Street Sinkor
Monrovia, Liberia

Currency: United States Dollar

	<i>In United States Dollars</i>	<i>In United States Dollars</i>
	2021	2020
	June	June
Total Grant Received	<u>467,755</u>	<u>938,305</u>
Total grant income reported	<u>467,755</u>	<u>938,305</u>
Amount spent	511,299	943,485
Balance as at beginning	<u>44,916</u>	<u>50,096</u>
Balance as at June 30, 2021	<u>1,372</u>	<u>44,916</u>
Closing Balance Consist of:		
Special Account_Ecobank- TSF	1,367	(285)
Special Account_Ecobank- FAPA	5	45,201
Petty Cash	-	-
	<u>1,372</u>	<u>44,916</u>