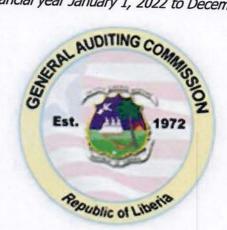**Management Letter**

On Financial Statement Audit of the Building Climate Resilience Project (BCRP)

For the Financial year January 1, 2022 to December 31, 2022

Promoting Accountability of Public Resources

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

Monrovia, Liberia
June 2023

Management Letter on the Financial Statements Audit of
Building Climate Resilience Project (BCRP) for the Financial Year
January 1, 2022 to December 31, 2022

Table of Contents

Management Letter on the Financial Statements Audit of
Building Climate Resilience Project (BCRP) for the Financial Year
January 1, 2022 to December 31, 2022

ACRONYM

Acronym/Abbreviation/Symbol	Meaning
AA	Administrative Assistant
AG	Auditor General
ACCA	Association of Chartered Certified Accountant
AWPB	Annual Work Plan and Budget
BCRP	Building Climate Resilience Project
CFC	Certified Financial Consultant
CFIP	Certified Forensic Investigation Practitioner
COBIT	Control Objectives for Information and Related Technology
COSO	Committee on Sponsoring Organization
CPA	Certified Public Accountant
FC	Financial Comptroller
GAC	General Auditing Commission
IFAD	International Fund for Agriculture Development
ISSAI	International Standards of Supreme Audit Institutions
MoA	Ministry of Agriculture
M&E	Monitoring and Evaluation
NSC	National Steering Committee
PC	Project Coordinator
PIU	Project Implementation Unit
PMU	Project Management Unit
RL	Republic of Liberia
US$	United States Dollars

Management Letter on the Financial Statements Audit of
Building Climate Resilience Project (BCRP) for the Financial Year
January 1, 2022 to December 31, 2022

June 29, 2023

Hon. Jeanine Milly Cooper
Minister
Ministry of Agriculture
Ministerial Complex, Congo Town
Monrovia, Liberia

Dear Hon. Cooper:

RE: Management Letter on The Financial Statements Audit of the Building Climate Resilience Project (BCRP) For the Financial Year January 1, 2022 to December 31, 2022.

The financial statements of the Building Climate Resilience Project (BCRP) is subject to audit by the Auditor-General in accordance with Section 2.1.3 of the General Auditing Commission (GAC) Act of 2014 as well as the Term of Reference of the Project Financing Agreement.

Introduction

The audit of the financial statement of Building Climate Resilience Project (BCRP) for the Calendar year January 1, 2022 to December 31, 2022 was completed; and the purpose of this letter is to bring to your attention the findings that were revealed during the audit.

Scope and Determination of Responsibility

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). These standards require that the audit is planned and performed so as to obtain reasonable assurance that, in all material respects, fair presentation is achieved in the annual financial statements.

An audit includes:

- Examination on a test basis of evidence supporting the amounts and disclosures in the financial statements;

- Assessment of the accounting principles used and significant estimates made by management; and

- Evaluation of the overall financial statement presentation.

An audit also includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations which came to our attention and are applicable to financial matters.

The matters mentioned in this letter are therefore those that were identified through tests considered necessary for the purpose of the audit and it is possible that there might be other matters and/or weaknesses that were not identified.

Management Letter on the Financial Statements Audit of
Building Climate Resilience Project (BCRP) for the Financial Year
January 1, 2022 to December 31, 2022

The financial statements, maintenance of effective control measures and compliance with laws and regulations are the responsibility of the Project Management. Our responsibility is to express our opinion on these financial statements.

The audit findings that were identified during the course of the audit are included below.

Thank you as we strive to promote accountability, transparency and good governance across the Government of Liberia.

Appreciation

We would like to express our appreciation for the courtesy accorded and assistance rendered by the staff of the IFAD Project Implementation Unit (PIU) of the Ministry of Agriculture (MOA) during the audit.

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

Monrovia, Liberia
June 2023

Management Letter on the Financial Statements Audit of
Building Climate Resilience Project (BCRP) for the Financial Year
January 1, 2022 to December 31, 2022

1   DETAILED FINDINGS AND RECOMMENDATIONS

1.1   Financial Issues

1.1.1   Non-Preparation of Monthly Budget Monitoring Statement

Observation

1.1.1.1   Chapter 6.2 paragraphs 321 of the Finance and Administrative Procedure manual provides that the FC is responsible for monitoring the budget by comparing it with actual expenditures. The expenditure process is described in section 6.3. Project expenses recorded in the general accounts are simultaneously recorded against the budget (see Chapter 7 for details on the coding and accounting of transactions). Thanks to this unique entry system, all project expenses are automatically recorded in the "actual expense" column of the budget. A monthly budget monitoring statement which shows the status of the budget by component and by expense category is printed at the end of each month (see model in Annex 6.e). This statement shows for each AWPB activity or budget line, the budgeted amount, the cumulative expenditures and the available balance.

1.1.1.2   During the audit, we observed no evidence that management prepared a monthly budget monitoring statement.

Risk

1.1.1.3   Failure by management to prepare monthly budget monitoring statement may lead to overspending/underspending of budget limits.

1.1.1.4   Revenue and Expenditure performance may not be measured in a reliable manner leading to misappropriation of project's funds.
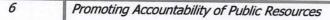
Recommendation

1.1.1.5   Management should ensure that Budget Monitoring Statement are prepared on a monthly basis. Gaps identified should inform future emphasis on income receipt and reallocation of expenditure disbursements.

1.1.1.6   Evidence of the Monthly Budget Monitoring Statement should be adequately documented and filed to facilitate future review.

Management's Response

1.1.1.7   *Management do prepare budget monitoring report quarterly along with Interim Financial Report(IFR). However, Management take note and will going forward ensure that Monthly budget monitoring statement is prepared and documented.*

Auditor General's Position

1.1.1.8   We acknowledge Management's acceptance of our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

Management Letter on the Financial Statements Audit of
Building Climate Resilience Project (BCRP) for the Financial Year
January 1, 2022 to December 31, 2022

1.1.2 Non-Preparation of Monthly Statement of Supplies

Observation

1.1.2.1 Chapter 4.6 paragraph 203 of the Finance and Administrative Procedures Manual requires that a simple stock management system be developed on Excel to record the receipt and delivery of supplies and to monitor the level of stocks at all times. The system includes an individual stock card for each item purchased by the Project. The card shows the opening balance, receipts, deliveries and available stock (see model in Annex 4.k). The monthly stock statement (see Annex 4.k) shows cumulative movements for the month as well as end-of month balance for each item. The monthly statement is updated automatically from the data contained in the individual cards.

1.1.2.2 During the audit, we observed no evidence that Management prepared a monthly statement of supply for the period under audit. This finding was also brought to the attention of the project management during our last audit.

Risk

1.1.2.3 Effective stock management may not be achieved in the absence of a monthly statement of supply.

1.1.2.4 Inventory/supply may be misappropriated leading to decline in operational activities.

1.1.2.5 The lack of monthly statement of supply may not provide information on the historical cost of the supplies procured as well as deny the Management of the PIU the abilities to make informed decision on the level of supplies available or used.

Recommendation

1.1.2.6 Management should develop at least an excel based or an automated inventory management system to facilitate and ensure accurate records of inventories such as purchases, distribution, current stock balances, stock-out levels and etc.

1.1.2.7 Management should ensure that periodic stock taking of inventories are conducted and appropriate adjustments, where applicable, are made to support the inventory balances in inventory management system. Evidence of periodic stock taking report should be adequately documented and filed to facilitate future review.

Management's Response

1.1.2.8 *Stationery and supplies purchased are immediately expensed; however, Stock cards are maintained in the store room to monitor the flow of receipt and issuance of stationery/supplies with monthly report prepared in excel.*

Management Letter on the Financial Statements Audit of
Building Climate Resilience Project (BCRP) for the Financial Year
January 1, 2022 to December 31, 2022

Auditor General's Position

1.1.2.9 Management's assertion does not adequately address the issues raised. Further, Management's assertions were not supported by adequate documentation. Management did not submit the monthly statement of supply as referred to in its assertion. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.1.3 Irregularities Associated with Receipts and Storage of Supplies

Observation

1.1.3.1 Section 4.6 paragraphs 205 of the Finance and Administrative Procedure manual requires that upon delivery of the supplies, the AA and Accountant verify the actual quantities received against the purchase order and the supplier's invoice. The accountant informs the supplier of any difference noted so that appropriate action can be taken (return of excess supplies or delivery of missing items). The final delivery slip serves as the source document to the AA for the input of items received in the individual stock cards (PO date and number, delivery date, invoice number, quantity), under control from the accountant. The AA then stores the items in a secure area.

1.1.3.2 During the audit, we observed the following irregularities associated with the inventory management system:

- There was no evidence of inventory and supplies receipt and distribution log maintained by the store officer to track the movement of inventory and supplies at the entity.

- There was no evidence of regular or surprise stock count by an independent senior officer during the period for the purpose of check and balances.

- There was no secure storeroom for custody of assets procured.

- No evidence of segregation of duties over storeroom management. The Technical Lead supervises the project activities and manages the project storeroom activities.

Risk

1.1.3.3 Inventories may be misappropriated leading to decline in operational activities.

1.1.3.4 Failure to effectively maintain documentations for inventory receipts, storage, and distribution may lead to misappropriation of inventory.

1.1.3.5 Lack of segregation of duties of key functions may impair checks and balances thereby leading to misappropriation.

Management Letter on the Financial Statements Audit of
Building Climate Resilience Project (BCRP) for the Financial Year
January 1, 2022 to December 31, 2022

Recommendation

1.1.3.6　Management should initiate at least an excel based inventory management system to facilitate and ensure accurate records of inventories such as; purchases, distribution, current stock balance, reordering level, stock-out level etc.

1.1.3.7　Management should perform periodic physical verification of inventory and review of systems and records. Appropriate adjustments should be made where applicable.

1.1.3.8　All inventory records including records of stock takes, should be adequately documented and filed to facilitate future review.

1.1.3.9　Management should facilitate the hiring of an Administrative Assistant to manage the activities of the storeroom, as required by the Finance and Administrative Procedure Manual.

Management's Response

1.1.3.10　*Recommendation noted. There was no allocation for such position in the project design. However, management will present said recommendation to Authority for redress.*

Auditor General's Position

1.1.3.11　We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.1.4　Lack of Progress Report (M&E Officer)

Observation

1.1.4.1　Section 5.5 paragraphs 369 of the Finance and Administrative Procedure manual requires that this quarterly report is addressed to the NSC, IFAD and MOA. It describes the progress of the project in terms of physical implementation and financial execution, integrating information from the IPs progress reports. It is prepared by the M&E Officer (with input from the technical staff) for physical implementation aspects, and includes the financial execution report prepared by the FC.

1.1.4.2　And also, section 5.5 paragraphs 370 of the Finance and Administrative Procedure manual requires that the financial section of the progress report includes an analysis of the ratio of project funds utilization (programmatic expenditures vs. administrative expenditures), which is a measure of the efficiency in the management of project resources. This ratio is calculated quarterly, at year-end and cumulatively since the start of the project. It is compared with the same ratio per the AWPB and per the allocation of loan funds shown in Annex 6.d. Significant variances are analyzed and explained in the quarterly progress reports.

Management Letter on the Financial Statements Audit of
Building Climate Resilience Project (BCRP) for the Financial Year
January 1, 2022 to December 31, 2022

1.1.4.3   During the audit, we observed no evidence that the Project Monitoring and Evaluation (M&E) Officer prepared progress reports on the implementation and execution of the project programs.

Risk

1.1.4.4   Failure by the M & E Officer to prepare progress reports may deny stakeholders the information on progress achieved against set objectives.

1.1.4.5   The absence of effective monitoring and evaluation during the project may impair the achievement of value for money and the implementation project deliverables.

Recommendation

1.1.4.6   Management should ensure proper coordination, monitoring and evaluation are implemented during the execution of the project.

1.1.4.7   Management should ensure that the M&E Officer prepares progress reports on a timely basis. Evidence of Monitoring and Evaluation report should be adequately documented and filed to facilitate future review.

Management's Response

1.1.4.8   *Management do prepare budget monitoring report quarterly along with Interim Financial Report (IFR). Going forward, Management will ensure that Monthly budget monitoring statement is prepared and documented.*

Auditor General's Position

1.1.4.9   Management's assertion did not address the issue raised. In the absence of periodic Monitoring and Evaluation report on the project activities, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.2   Administrative Issues

1.2.1   No Risk Assessment Policy and Process

Observation

1.2.1.1   Paragraph 17 of the Internal Integrated Framework, published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) indicates that in most cases, the board of head of public entity is ultimately responsible for determining whether management has implemented effective internal control including monitoring. The institution makes this assessment by (a) understanding the risks the organization faces and (b) Gaining an understanding of how senior management imagines or mitigates those risk that are meaningful to the organization objectives. Obtaining this understanding includes determining how management supports its beliefs about the effectiveness of the internal control system in those areas.

Management Letter on the Financial Statements Audit of
Building Climate Resilience Project (BCRP) for the Financial Year
January 1, 2022 to December 31, 2022

1.2.1.2   During the audit, we observed no evidence that Management has developed a risk management policy nor performed periodic risk assessment to guide internal and external risks that could impact the achievement of the project's objectives.

Risk

1.2.1.3   The absence of a Risk Management Policy/risk assessment exercise may lead to management not being aware of potential risks that may affect the objective of the project.

1.2.1.4   Potential risk to the entity may not be identified, assessed and mitigated/prevented in a timely manner thereby leading to the non-achievement of the project's objective.

Recommendation

1.2.1.5   Management should establish a risk management policy that identifies strategies for mitigating internal and external risks that may impact the achievement of the entity's objectives.

1.2.1.6   Subsequently, Management should facilitate the conduct of periodic risk assessment and take corrective action for gaps identified.

1.2.1.7   Periodic Risk Assessment reports should be adequately documented and filed to facilitate future review.

Management's Response

1.2.1.8   *Recommendation noted. Risk assessment process is currently on going. The PIU has responded to the risk assessment questionnaires issued by the Internal Auditor in conjunction with the Ministry of Agriculture Internal Audit Director and report pending.*

Auditor General's Position

1.2.1.9   We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.2.2   Lack of IT Strategic committee

Observation

1.2.2.1   DM01.02 of COBIT 2019 states that: Inform leaders on I&T governance principles and obtain their support, buy-in and commitment. Guide the structures, processes and practices for the governance of I&T in line with the agreed governance principles, decision-making models and authority levels. Define the information required for informed decision making.

1.2.2.2   DM01.02.3 of COBIT 2019 states that: Establish an I&T governance board (or equivalent) at the board level. This board should ensure that governance of information and technology, as part of enterprise governance, is adequately addressed; advise on strategic

Management Letter on the Financial Statements Audit of
Building Climate Resilience Project (BCRP) for the Financial Year
January 1, 2022 to December 31, 2022

direction; and determine prioritization of I&T-enabled investment programs in line with the enterprise's business strategy and priorities.

1.2.2.3 APO01.04 of COBIT 2019 states that: Define and implement the organizational structures. Put in place the required internal and extended organizational structures (e.g., committees) per the management system design, enabling effective and efficient decision making. Ensure that required technology and information knowledge is included in the composition of management structures.

1.2.2.4 During the audit, we observed no evidence of a functional IT Strategic Committee to provide strategic oversight of the IT strategic goals, objectives and activities of the MOA/PMU evidence by the nonexistence of meeting minutes and periodic reports.

Risk

1.2.2.5 In the absence of a functional IT Strategic Committee, the strategic goals, objectives, and activities of the IT function may not be achieved.

Recommendation

1.2.2.6 Management should ensure that the IT Strategic Committee is functional, evidenced by documentation of meeting minutes and periodic reports.

Management's Response

1.2.2.7 *Recommendation noted. Management will ensure that IT strategic committee is setup and functional.*

Auditor General's Position

1.2.2.8 We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.2.3 Unapproved IT Strategic Plan

Observation

1.2.3.1 DM01.02 of COBIT 2019 states that: Direct the governance system. Inform leaders on I&T governance principles and obtain their support, buy-in and commitment. Guide the structures, processes and practices for the governance of I&T in line with the agreed governance principles, decision-making models and authority levels. Define the information required for informed decision making.

1.2.3.2 DM01.02.3 of COBIT 2019 states that: Establish an I&T governance board (or equivalent) at the board level. This board should ensure that governance of information and technology, as part of enterprise governance, is adequately addressed; advise on strategic direction; and determine prioritization of I&T-enabled investment programs in line with the enterprise's business strategy and priorities.

Management Letter on the Financial Statements Audit of
Building Climate Resilience Project (BCRP) for the Financial Year
January 1, 2022 to December 31, 2022

1.2.3.3   APO01.04 of COBIT 2019 states that: Define and implement the organizational structures. Put in place the required internal and extended organizational structures (e.g., committees) per the management system design, enabling effective and efficient decision making. Ensure that required technology and information knowledge is included in the composition of management structures.

1.2.3.4   During the audit, we observed that there was no evidence of an IT strategic plan to signify that the MOA/PMU had established an IT strategy to address the operations of their Information Technology unit and provide a strategic direction, evidence by the nonexistence of meeting minutes and periodic reports.

Risk

1.2.3.5   The non-establishment of an IT strategic plan at the board level may result in a non-coherent strategy and a lack of clear direction for an entity's Information Technology.

Recommendation

1.2.3.6   Management should establish an IT Strategic plan at the Board level in order to create a coherent strategy, give a clear direction and govern the Information Technology Unit.

Management's Response

1.2.3.7   *Recommendation noted. Management will ensure that an IT Strategic plan is prepared with clear direction to govern the information Technology Unit.*

Auditor General's Position

1.2.3.8   We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.2.4   Non-existent IT Steering Committee

Observation

1.2.4.1   APO01.04 of COBIT 2019 states that: Define and implement the organizational structures. Put in place the required internal and extended organizational structures (e.g., committees) per the management system design, enabling effective and efficient decision making. Ensure that required technology and information knowledge is included in the composition of management structures.

1.2.4.2   During the audit, we observed no evidence of an IT steering committee to provide technical oversight of the IT functions of MoA PMU.

Risk

1.2.4.3   In the absence of an IT Steering Committee the strategic goals, objectives and activities of the IT function may not be achieved.

Management Letter on the Financial Statements Audit of
Building Climate Resilience Project (BCRP) for the Financial Year
January 1, 2022 to December 31, 2022

Recommendation

1.2.4.4   Management should establish a functional IT steering committee evidence by documentation of meeting minutes and periodic reports.

Management's Response

1.2.4.5   *Recommendation noted. Management will ensure that an IT Steering Committee is setup.*

Auditor General's Position

1.2.4.6   We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.2.5   Lack of change or patch management

Observation

1.2.5.1   DSS03.05.3 of COBIT 2019 states that: Identify and initiate sustainable solutions (permanent fixes) addressing the root cause. Raise change requests via the established change management processes.

1.2.5.2   BAI03.10.1 of COBIT 2019 states that: Develop and execute a plan for the maintenance of solution components. Include periodic reviews against business needs and operational requirements such as patch management, upgrade strategies, risk, privacy, vulnerabilities assessment and security requirements

1.2.5.3   During the audit, it was observed that there were no policy and procedure in place for managing modifications to the MoA's PMU application and infrastructures.

1.2.5.4   Additionally, there was no evidence of program change requests form to substantiate changes made were appropriately authorized, tested, and approved for implementation.

Risk

1.2.5.5   Failure to develop and operationalize a change management policy may lead to unauthorized and untested changes made to the production environment that may cause disruptions to the business activities and instability to the information system.

Recommendation

1.2.5.6   Management should develop, approve and operationalize a change management policy to mitigate unauthorized and untested changes made to the production environment. Change management for information system environments, application functionality, and business processes should be proactively managed to achieve process integrity, expedite learning curve and build capacity.

1.2.5.7   Additionally, changes made to the system should be properly tracked, tested by appropriate personnel, and adequately reviewed for approvals before being moved to production. All activities should be documented and appropriately maintained.

Management Letter on the Financial Statements Audit of
Building Climate Resilience Project (BCRP) for the Financial Year
January 1, 2022 to December 31, 2022

Management's Response

1.2.5.8   *Recommendation noted. Management will ensure that changes made to the system is properly tracked, tested, adequately reviewed for approval before being moved to production.*

Auditor General's Position

1.2.5.9   We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.2.6   No Policy to Cover Physical Access

Observation

1.2.6.1   DSS05.05 of COBIT 2019 states that: Define and implement procedures (including emergency procedures) to grant, limit and revoke access to premises, buildings and areas, according to business need. Access to premises, buildings and areas should be justified, authorized, logged and monitored. This requirement applies to all persons entering the premises, including staff, temporary staff, clients, vendors, visitors or any other third party.

1.2.6.2   During the audit, we observed no evidence of a policy to cover physical access to information technology assets.

Risk

1.2.6.3   Unauthorized access to IT environments may result in damages to hardware, theft, etc.

Recommendation

1.2.6.4   Management should define and implement policies and procedures to grant, limit and revoke access to premises, buildings and areas, according to business need. Access to premises, buildings and areas should be justified, authorized, logged and monitored. This requirement should apply to all persons entering the premises, including staff, temporary staff, clients, vendors, visitors or any other third party.

Management's Response

1.2.6.5   *Recommendation noted. Management do have a record book for persons to sign in before entering the IT Server Room but no written policy to cover physical access. Going forward, Management will define policies and procedures to grant, limit and revoke access to premises, buildings and areas according to business need and access to premises justified, logged and monitored.*

Auditor General's Position

1.2.6.6   We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

Management Letter on the Financial Statements Audit of
Building Climate Resilience Project (BCRP) for the Financial Year
January 1, 2022 to December 31, 2022

1.2.7 No Environmental Control Policy

Observation

1.2.7.1 DSS01.04 of COBIT 2019 state that: Maintain measures for protection against environmental factors. Install specialized equipment and devices to monitor and control the environment.

1.2.7.2 DSS01.05.6 of COBIT 2019 states that: On regular basis, educate personnel on health and safety laws, regulations, and relevant guidelines. Educate personnel on fire and rescue drills to ensure knowledge and actions taken in case of fire or similar incidents.

1.2.7.3 During the audit, we observed no evidence of environmental control policy in place to safeguard information technology assets.

Risk

1.2.7.4 Failure to properly address IT environmental controls at the organization may impair recovery from interruptions within a reasonable timeframe.

Recommendation

1.2.7.5 Management should develop, approve and operationalize an environmental control policy in order to maintain measures for protection against environmental factors.

1.2.7.6 Management should install specialized equipment and devices to monitor and control the environment as well as protect information technology assets against abrupt disruptions and safeguard the institution's personnel.

Management's Response

1.2.7.7 *Recommendation noted. Management will ensure to develop, approve an operationalized environmental policy. Additionally, Management will also ensure that specialized equipment and devices to monitor and control the environment to protect information technology assets against abrupt disruptions and safeguard the institution's personnel.*

Auditor General's Position

1.2.7.8 We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.2.8 No Documented and Tested Emergency Procedure

Observation

1.2.8.1 DSS02.05 of COBIT 2019 states that: Document, apply and test the identified solutions or workarounds. Perform recovery actions to restore the I&T-related service.

Management Letter on the Financial Statements Audit of
Building Climate Resilience Project (BCRP) for the Financial Year
January 1, 2022 to December 31, 2022

1.2.8.2   During the audit, we observed no evidence of documented and tested emergency procedures in place to safe guide information technology assets and personnel.

Risk

1.2.8.3   In case of an emergency, the personnel involved might not be aware of what is expected from them and lead to business interference and personnel acting in a timely manner.

Recommendation

1.2.8.4   Management should document, apply and test emergency procedures to safeguard IT assets.

Management's Response

1.2.8.5   *Recommendation noted. Management will ensure that emergency procedures to safeguard IT assets and personnel are documented.*

Auditor General's Position

1.2.8.6   We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.2.9   No user management standard and procedure in place

Observation

1.2.9.1   DSS05.04 of COBIT 2019 states that: Ensure that all users have information access rights in accordance with business requirements. Coordinate with business units that manage their own access rights within business processes.

1.2.9.2   DSS05.04.1 of COBIT 2019 states that: Maintain user access rights in accordance with business function, process requirements and security policies. Align the management of identities and access rights to the defined roles and responsibilities, based on least-privilege, need-to-have and need-to-know principles

1.2.9.3   During the audit we observed that there were no user management standard and procedures in place at the MOA/PMU office.

Risk

1.2.9.4   Failure to create a sound and approved user management framework, policy and procedures; users may not have any rules and procedures to follow in order to minimize errors, fraud and loss of data confidentiality, integrity and availability.

Recommendation

1.2.9.5   Management should develop, approve and operationalize a sound user management framework, policy and procedures in order to minimize errors, fraud and loss of data confidentiality, integrity and availability.

*Management Letter on the Financial Statements Audit of
Building Climate Resilience Project (BCRP) for the Financial Year
January 1, 2022 to December 31, 2022*

Management's Response

1.2.9.6   *Recommendation noted. Management will ensure to develop, approve and operationalized a sound user management framework, policy and procedures in order to minimize errors, fraud and loss of data confidentiality, integrity and availability.*

Auditor General's Position

1.2.9.7   We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.2.10   Users access rights are not review

Observation

1.2.10.1   DSS05.04.1 of COBIT 2019 states that: Maintain user access rights in accordance with business function, process requirements and security policies. Align the management of identities and access rights to the defined roles and responsibilities, based on least-privilege, need-to-have and need-to-know principles

1.2.10.2   DSS05.04.8 of COBIT 2019 states that: Perform regular management review of all accounts and related privileges.

1.2.10.3   During the audit, we observed that users access rights were not review in accordance with business function, process requirements and security policies. User access right should align with the management of identities and access rights with defined roles and responsibilities, based on least-privilege, and on a need-to-know basis.

Risk

1.2.10.4   Failure to review users access rights in accordance with business function, process requirements and security policies may allow unauthorized user access to the Tompro financial system.

Recommendation

1.2.10.5   Management should Maintain user access rights in accordance with business function, process requirements and security policies. Align the management of identities and access rights to the defined roles and responsibilities, based on least-privilege on a need-to-know basis, in order to avoid unauthorize access to the Tompro financial system.

1.2.10.6   Access rights should be reviewed periodically to ensure full compliance.

Management's Response

1.2.10.7   *Management do maintain access right in accordance with business function, process requirements and security policies. Access rights are reviewed and granted periodically when there is a need for change. Additionally, there is no unauthorized access to the Tompro financial system except by permission.*

Management Letter on the Financial Statements Audit of
Building Climate Resilience Project (BCRP) for the Financial Year
January 1, 2022 to December 31, 2022

Auditor General's Position

1.2.10.8   Management's assertions are not supported by documentary evidence. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.