



Promoting Accountability of Public Resources

## AUDITOR GENERAL'S REPORT



**On The Cheesmanburg Landfill Urban Sanitation Project (CLUS) Financial Statements**

**Grant #:TF A5269 & TF B2994**

***For The Eighteen Months Ended December 31, 2021***

**June 2023**

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

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## ACRONMYS

### Acronyms/Abbreviations/Symbols

Acronyms/Abbreviations/Symbol	Meaning
A/C#	Account Number
AfDB	African Development Bank
AG	Auditor General
APA	Assistant Project Accountant
BEP	Bid Evaluation Penal
CBL	Central Bank of Liberia
CFE	Certified Fraud Examiner
CFIP	Certified Forensic Investigation Professional
CLUS	Cheesmanburg Landfill Urban Sanitation
COTABD	Class of Transaction Account Balances and Disclosures
CPA	Certified Public Accountant
GAC	General Auditing Commission
GOL	Government of Liberia
IDA	International Development Assistance
IPFMRP	Integrated Public Financial Management Reform Project
IPSAS	International Public Sector Accounting Standards
M & E	Monitoring and Evaluation
MSC	Ministerial Steering Committee
PFM Act	Public Finance Management Act
PFMU	Project Financial Management Unit
PPC Act	Public Procurement & Concession Act
PPCC	Public Procurement and Concession Commission
PSC	Project Steering Committee
PV	Payment Voucher
SPA	Senior Project Accountant
US\$	United States Dollar



**Republic of Liberia**

**AUDITOR GENERAL'S REPORT**

**AUDITOR GENERAL'S REPORT ON THE FINANCIAL STATEMENTS AUDIT OF THE  
CHEESMANBURG LANDFILL URBAN SANITATION (CLUS) FOR THE FINANCIAL YEAR  
ENDED DECEMBER 31, 2022.**

**Opinion**

We have audited the accompanying financial statements of the Cheesmanburg Landfill Urban Sanitation (CLUS) **Grant #: TF A5269 & TF B2994** for the period July 1, 2021 to December 31, 2022 which comprise the Statements of 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 financial statements present fairly, in all material respects, the Statement of Receipts and Payments as at December 31, 2022, the Statement of Comparison of Budget and Actual Amounts and a summary of other accounting policies and other explanatory notes for the period then ended in accordance with International Public Sector Accounting Standards (IPSAS 2017) Cash Basis of Accounting.

**Basis for opinion**

We conducted our audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). 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 Cheesmanburg Landfill Urban Sanitation (CLUS) Project Implementing Unit (PIU) of Monrovia City Corporation (MCC) in accordance with the ethical requirements that are relevant to our audit of the financial statements, 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 Financial Statements**

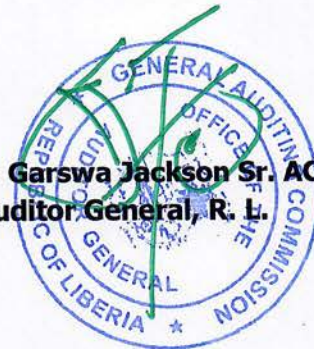
Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Public Sector Accounting Standards (IPSAS 2017) Cash Basis of Accounting and for such internal control as Management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibilities**

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.

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, CFE  
Auditor General, R. L.**



**Monrovia, Liberia**  
June 2023

**GENERAL INFORMATION**

**PROJECT MANAGEMENT TEAM**

**Project Financial Management Unit:** Papin Daniels, CA, CPA, CFE  
Unit Director  
Project Financial Management Unit (PFMU)

Leroy Fendor, CA, CPA  
Deputy Director

Subozu Kollie, CFE, CA, CPA  
Project Internal Auditor

**Registered Office:** Project Financial Management Unit (PFMU)  
Ministry of Finance  
Broad and Mechlin Street  
Liberia

**Project Implementation Unit:** Edwin Johnson  
Project Coordinator  
Cheesemanburg Landfill and Urban Sanitation Project  
(CLUS)

**Project Location:** Monrovia City Corporation  
Sinkor  
Liberia

**Banker:** SI Bank  
Monrovia

**FINANCIAL STATEMENTS (CLUS) DECEMBER 31, 2022.**

**STATEMENT OF RECEIPTS AND PAYMENTS  
 FOR THE PERIOD ENDED DECEMBER 31, 2022**

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<i>In United States Dollars</i>	Notes	SPECIAL BUDGET YEAR July 1, 2021 -			Cumulative
		December 31, 2022	December 31, 2021	June 2021	
<b>Receipt</b>					
IDA Grant	4	<u>4,312,164</u>	<u>1,465,041</u>	<u>3,257,297</u>	<u>17,965,183</u>
<b>Total Receipt</b>		<u><b>4,312,164</b></u>	<u><b>1,465,041</b></u>	<u><b>3,257,297</b></u>	<u><b>17,965,183</b></u>
<b>Payment</b>					
Construction of Cheesmanburg Regional Landfill	5	<u>1,757,828</u>	<u>116,606</u>	<u>378,552</u>	<u>3,867,627</u>
Waste Collection and Disposal	6	<u>2,181,574</u>	<u>783,568</u>	<u>987,977</u>	<u>9,263,667</u>
Institutional Capacity Strengthening and Technical Assistance	7	<u>995,255</u>	<u>409,496</u>	<u>1,577,960</u>	<u>4,622,788</u>
<b>Total Payments</b>		<u><b>4,934,657</b></u>	<u><b>1,309,670</b></u>	<u><b>2,944,490</b></u>	<u><b>17,754,081</b></u>
Excess of receipts over payments (payments over receipts)		<u>(622,493)</u>	<u>155,371</u>	<u>312,808</u>	<u>211,102</u>
Fund Balance as at beginning		<u>833,595</u>	<u>678,224</u>	<u>365,416</u>	<u>-</u>
Cummulative fund balance		<u><b>211,102</b></u>	<u><b>833,595</b></u>	<u><b>678,224</b></u>	<u><b>211,102</b></u>

*The notes on pages 9 to 13 are integral part of these financial reports.*



**STATEMENT OF FUND BALANCE AND CASH STATUS  
 FOR THE PERIOD ENDED DECEMBER 31, 2022**

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<i>In United States Dollars</i>	<b>SPECIAL BUDGET</b>		
	<b>December 31, 2022</b>	<b>July 1, 2021 - December</b>	<b>June 2021</b>
<b>Fund Balance</b>			
<b>Balance of Project Fund</b>	833,595	678,224	365,416
Add: Total Receipts during the period	4,312,164	1,465,041	3,257,297
Total Fund available for operations	5,145,759	2,143,264	3,622,713
Less: Total Payments during the period	4,934,657	1,309,670	2,944,490
<b>Balance of project fund at the end of the year</b>	211,102	833,595	678,224
<b>Cash Status:</b>			
Cash at Bank	211,102	833,595	678,224
<b>Total Cash on hand and in bank</b>	211,102	833,595	678,224
<b>Difference between A and B</b>	0	-	-

*The notes on pages 9 to 13 are integral part of these financial reports.*

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2022**

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**14. Analysis of Variance**

Activities Within Components	Project Allocation \$	Annual \$	Actual Expenditure \$	Variance \$
Construction of Cheesmanburg Regional Landfill	10,910,000	8,874,873	1,874,434	7,000,440
Waste Collection and Disposal	11,370,000	4,339,385	2,965,143	1,374,243
Institutional Capacity Strengthening and Technical Assistance	1,320,000	4,097,604	1,404,750	2,692,854
<b>Total</b>	<b>23,600,000</b>	<b>17,311,862</b>	<b>6,244,327</b>	<b>11,067,536</b>

*The notes on pages 9 to 13 are integral part of these financial reports.*


**Variance Explanation**


Services under Technical Assistance were performed but payments were not made GOL did not give the allotment for the fourth quarter therefore the amount received was the amount spent. Some services were delayed and therefore payments were not made

**STATEMENT OF FINANCIAL POSITION  
 AS AT DECEMBER 31, 2022**

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<i>In United States Dollars</i>	<b>December 31, 2022</b>	<b>SPECIAL BUDGET YEAR July 1, 2021 - December 31, 2021</b>	<b>June 2021</b>
<b>Assets</b>			
Cash and cash equivalent	211,102	833,595	678,224
<b>Total Assets</b>	<u>211,102</u>	<u>833,595</u>	<u>678,224</u>
<b>Fund Balance</b>			
Grants	211,102	833,595	678,224
<b>Accumulated Fund Balance</b>	<u>211,102</u>	<u>833,595</u>	<u>678,224</u>

  
 June 30, 2023  
**Papin Daniel, Jr.**  
 Director, Donor Financed Projects  
 PFMU, MFDP

  
 June 30, 2023  
**Edwin Johnson**  
 Project Coordinator - CLUSP  
 MCC

*The notes on pages 9 to 13 are integral part of these financial reports.*



## NOTES TO FINANCIAL STATEMENTS

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### 1. Background and Information of the Project

With support from the Trust Fund; the Cheesmanburg Landfill and Urban Sanitation Project (CLUSP) - is to provide improved access to solid waste management (SWM) services in Monrovia. The World Bank approved the CLUS project on June 28, 2017 with a grant amount of USD 26.8M. The aims of the project are:

- i. **Construction of the Cheesmanburg Regional Landfill and Partial Closure of the Whein Town Landfill:** This component will finance: (1a) technical studies and preparation for the tender documents for the new Cheesmanburg landfill; (1b) construction of the first cell of the Cheesmanburg landfill and related facilities (leachate pond, landfill office, maintenance area, etc.); (1c) water supply boreholes and extension of the access road to benefit the Cheesmanburg community (1d) partial closure and construction of a perimeter wall around the Whein Town landfill to continue to operate in an environmentally safe manner before the Cheesmanburg landfill opens; (1e) permanent closure of the Whein Town site once the Cheesmanburg landfill becomes fully operational; (1f) minor rehabilitation and upgrade work to the existing transfer stations to accommodate larger waste transfer trucks.
- ii. **Waste Collection and Disposal:** This component will support MCC to continue delivering a consistent level of SWM service.
- iii. **Institutional Capacity Strengthening and Technical Assistance:** This component will finance: (3a) Capacity building of SWM staff at MCC, surrounding municipalities, and the Liberia Environmental Protection Agency (EPA); (3b) preparation of a long-term waste management strategy for Greater Monrovia, which will include an optimization study, an assessment of waste recycling and valorization options for future recycling; (3c) public awareness and citizens engagement activities; (3d) technical assistance to carry out a study to improve urban management in the city; (3e) Project Management.

### 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:

Amount of	grant allocated	% of
Category	expressed in US\$	expenditure to be financed
Construction of the Cheesmanburg Regional Landfill and Partial Closure of the Whein Town Landfill	10,580,000	100
Waste Collection and Disposal	12,650,000	100
Institutional Capacity Strengthening and Technical Assistance	3,570,000	100
<b>Total</b>	<b>26,800,000</b>	

**NOTES TO FINANCIAL STATEMENTS** *(continued)*

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

	<b>% of Expenditure</b>
IDA Grant	100
Total	<hr style="width: 50%; margin: 0 auto;"/> <b>100</b> <hr style="width: 50%; margin: 0 auto;"/>

**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.

**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 Receipts**

Grant from donors for the CLUS 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 disbursement purposes. All payments for the CLUS 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 World Bank.

**Tax**

The project is 100 percent inclusive of tax.

**Changes in Reporting and Comparative**

This report consists of a special budget year for 6 months which runs from July 2021 to December 31, 2021. The special budget year came about when the GOL transitioned from fiscal year to the calendar year which started in 2022. Therefore comparison should be made between budget year 2022 (January - December 2022) and Fiscal Year June 30, 2021.

NOTES TO THE FINANCIAL STATEMENTS (continued)

SPECIAL  
BUDGET  
YEAR

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In United States Dollars	July 1, 2021 -			Cumulative
	December 31, 2022	December 31, 2021	June 2021	
<b>4 Grant Receipt</b>				
IDA Grant -TF A5269	-	898,311	2,715,851	10,499,975
TF B2994	700,000	-	-	700,000
GPRBA -TF B2864	1,293,153	400,000	-	1,693,153
Govt of Liberia Funding - USD	650,000	90,000	300,000	2,695,000
Govt of Liberia Funding - LD	102,929	60,000	203,981	733,160
TF B2994-Direct Payment	1,520,704	-	-	1,520,704
Others (Sale of Bid)	45,378	16,730	37,464	123,192
	<u>4,312,164</u>	<u>1,465,041</u>	<u>3,257,297</u>	<u>17,965,183</u>
<b>Construction of Cheesemanburg Regional</b>				
<b>5 Landfill</b>				
Technical studies & preparation for the tender documents for the new Cheesemanburg landfill	218,177	116,606	87,366	823,041
Construction of Cheesemanburg landfill and related facilities	1,520,704	-	-	1,520,704
Partial closure of Whein Town landfill	18,947	-	291,186	1,180,211
	<u>1,757,828</u>	<u>116,606</u>	<u>378,552</u>	<u>3,867,627</u>
<b>6 Waste Collection and Disposal</b>				
Supply & Delivery of Garbage Collection Equipment	198,101	412,324	294,892	2,574,354
Waste Collection & Disposal Services	1,149,909	367,883	693,085	5,852,388
Waste Collection Services (GPRBA)	833,564	3,361	-	836,925
	<u>2,181,574</u>	<u>783,568</u>	<u>987,977</u>	<u>9,263,667</u>
<b>Institutional Capacity Strengthening and</b>				
<b>7 Technical Assistance</b>				
Capacity building of SWM staff at MCC & EPA	-	-	-	44,181
Public awareness and citizens engagement activities	58,175	49,743	18,133	140,714
Technical Assistance for study to improve Urban Mgt	-	-	-	-
Project Management	394,334	303,947	932,273	3,068,238
Monitoring and Evaluation (GPRBA)	542,745	55,806	-	598,551
COVID-19 Response Plan	-	-	627,554	771,104
	<u>995,255</u>	<u>409,496</u>	<u>1,577,960</u>	<u>4,622,788</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

SPECIAL  
 BUDGET

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<i>In United States Dollars</i>	December 31, 2022	July 1, 2021 - December 31,	June 2021	Cummulative
<b>8 Cash receipts through grant and other Sources</b>				
IDA grant	4,312,164	1,465,041	3,257,297	17,965,183
<b>9 Cash paid</b>				
Construction of Cheesmanburg Regional Landfill	1,757,828	116,606	378,552	3,867,627
Waste Collection and Disposal	2,181,574	783,568	987,977	9,263,667
Institutional Capacity Strengthening and Technical Assistance	995,255	409,496	1,577,960	4,622,788
<b>Total Payments</b>	<u>4,934,657</u>	<u>1,309,670</u>	<u>2,944,490</u>	<u>17,754,081</u>

**PROJECT DESIGNATED ACCOUNT STATEMENT**

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Account Number: 11202584701, 11202584703, 10102584702 &  
00111202584704  
Account Type: Current Account  
Depository Bank (s): SI Bank  
Address: Broad Street  
Monrovia, Liberia

Currency: United States Dollar

	<b>SPECIAL BUDGET YEAR</b>		
	December 31, 2022	July 1, 2021 - December 31, 2021	June 2021
Total Grant Received	4,312,164	1,465,041	3,257,297
Total grant income reported	4,312,164	1,465,041	3,257,297
Amount spent	4,934,657	1,309,670	2,944,490
Balance as at beginning	833,595	678,224	365,416
Balance as at December 31, 2022	<u>211,102</u>	<u>833,595</u>	<u>678,224</u>
<b>Closing Balance Consist of:</b>			
Petty Cash	1,047	1,234	605
IDA Grant -TF A5269	117,226	481,910	514,996
GPRBA -TF B2864	85,902	340,833	-
Govt of Liberia Funding - USD	(3,158)	(3,675)	115,737
Govt of Liberia Funding - LD	10,085	13,294	46,886
	<u>211,102</u>	<u>833,595</u>	<u>678,224</u>