



Promoting Accountability of Public Resources

# AUDITOR GENERAL'S REPORT

**On the Financial Statements Audit of the  
Integrated Public Financial  
Management Reforms Project (IPFMRP)  
II Grant No.: TF12690, IDA 50260 &  
AfDB**

**For the Period Ended December 31, 2022**

**June 2023**

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



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June 30, 2023

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 STATEMENTS AUDIT  
OF THE INTEGRATED PUBLIC FINANCIAL MANAGEMENT REFORMS  
PROJECT (IPFMRP) II**

**Opinion**

We have audited the accompanying financial statements of the Integrated Public Financial Management Reforms Project (IPFMRP) II financed by the ADF No 2100155034068, TSF No.5900155011455, TSF2 5900155011454 for the fiscal period ended December 31, 2022, 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 No.: TF12690, IDA 50260 & AfDB present fairly in all material respects, the Statement of Receipts and Payments as at December 31, 2022, 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  
June 2023**

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

<i>In United States Dollars</i>			<b>SPECIAL BUDGET YEAR</b>		
<b>Receipt</b>	Note s	<b>2022 December</b>	<b>July 1, 2021 - De- cember 31, 2021</b>	2021 June	Cumulative
IDA Grant	4	2,243,808	1,700,000	1,502,671	8,326,168
<b>Total Receipt</b>		<b>2,243,808</b>	<b>1,700,000</b>	1,502,671	8,326,168
<b>Payment</b>					
Strengthening Transparency & Account- ability in Public Financial Management	5	919,312	1,259,510	914,433	4,121,297
Revenue Mobilization & Administration Program Governance Project Manage- ment	6 7	569,343 58,281	539,702 144,748	812,826 27,508	2,770,795 321,896
<b>Total Payments</b>		<b>1,546,936</b>	<b>1,943,960</b>	1,755,017	7,213,988
<b>Excess of receipts over payments (payments over receipts)</b>		<b>696,872</b>	<b>(243,960)</b>	(252,096)	1,109,301
<b>Fund Balance as at beginning</b>		<b>163,530</b>	<b>407,489</b>	752,318	-
<b>Cumulative fund balance</b>		<b>860,402</b>	<b>163,529</b>	499,972	1,109,301

The notes on pages 8 to 13 are integral part of these project financial report.

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

<i>In United States Dollars</i>	2022 December	SPECIAL BUDGET YEAR July 1, 2021 - De- cember 31, 2021	2021 June
<b>A Fund Balance</b>			
Balance of Project Fund	163,530	407,489	752,318
Add: Total Receipts during the period	2,243,808	1,700,000	1,502,671
Total Fund available for operations	2,407,337	2,107,489	2,254,989
Less: Total Payments during the period	1,546,935	1,943,960	1,754,767
<b>Balance of project fund at the end of the year</b>	<b>860,402</b>	<b>163,529</b>	<b>500,222</b>
<b>B Cash Status:</b>			
Cash at Bank	860,402	163,529	500222
<b>Total Cash on hand and in bank</b>	<b>860,402</b>	<b>163,529</b>	<b>500,222</b>
<b>Difference between A and B</b>	<b>-</b>	<b>-</b>	

The notes on pages 8 to 13 are integral part of these project financial report.

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


*In United States Dollars*

<b>Activities within components</b>	<b>Project Allocation</b>	<b>Budget</b>	<b>Actual Expectation</b>	<b>Variance</b>
Strengthening Transparency & Accountability in Public Financial Management	4,589,000	2,234,500	2,178,822	55,678
Revenue Mobilization & Administration	3,910,000	1,413,600	1,109,044	304,556
Program Governance Project Management	280,000	250,000	203,029	46,971
<b>Grand Total</b>	<b>8,779,000</b>	<b>4,467,100</b>	<b>3,490,895</b>	<b>407,205</b>

The notes on pages 8 to 13 are integral part of these project financial reports.

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

<i>In United States Dollars</i>	<b>SPECIAL BUDGET YEAR</b>		
	<b>2022 December</b>	<b>July 1, 2021 - December 31, 2021</b>	<b>2021 June</b>
<b>Assets</b>			
Cash and cash equivalent	<u>860,402</u>	<u>163,529</u>	500,222
Total Assets	860,402	163,529	500,222
<b>Fund Balance</b>			
Grants	<u>860,402</u>	<u>163,529</u>	500,222
Accumulated Fund Balance	<u><u>860,402</u></u>	<u><u>163,529</u></u>	<u><u>500,222</u></u>

 *Jan 30, 2023*  
 Papiin Daniels, Jr.  
**Director, Donor Financed Projects**  
 PFMU, MFDP

 *4/30/23*  
 Vee Musa Fofana  
**Project Manager**  
 PMU, MFDP

The notes on pages 8 to 13 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 IPFMR-project is geared towards increasing revenue collection and administration in the natural resource sector and to enhance transparency and accountability in the use of public funds. The IPFMR project was approved by the African Development Bank on December 11, 2011 with a grant amount of USD 3.2583 Million. The aims of the project are:

- i. Improvement in the efficiency and reliability of the Government's accounting system;
- ii. Harmonize the project chart of accounts with the GOL chart of accounts;
- iii. Finalize the business processes for projects in IPFMR project;
- iv. Configure the IPFMR project; and
- v. Conduct testing

### **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:

<b>Category</b>	<b>Amount of grant allocated Expressed in US\$</b>	<b>% of Expenditure to be financed</b>
Strengthening Transparency & Accountability in Public Financial Management	330,000	100
Strengthening the Capacity of Institutions in PFM	309,000	100
Support to Integrity & Oversight Institutions & CSOs	448,800	100
Aid Management, Macroeconomic Forecasting & Financial Reporting	137,500	100
Revenue Mobilization & Administration	1,697,000	100
Program Governance Project Management	<u>336,000</u>	100
<b>Total</b>	<b><u>3,258,300</u></b>	

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

	<b>% of Expenditure</b>
AfDB	100
<b>Total</b>	<u><u>100</u></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

**4. Grant**

Grant from IPFMRP is held in a deferred income account when received and are only recognized in the Project's income statement when utilized.

<i>In United States Dollars</i>	2022 December	SPECIAL BUDGET YEAR July 1, 2021 - December 31, 2021	2021 June	Cumulative
<b>4 Grant</b>				
<b>Grant Receipt</b>				
ADF No 2100155034068	1,667,448	1,700,000	984,600	5,557,148
TSF No.5900155011455	576,360	-	500,000	1,582,341
TSF No.5900155011454	-	-	-	1,018,020
<b>Direct Payments</b>				
ADF No 2100155034068	-	-	-	150,313
TSF No.5900155011455	-	-	-	-
TSF No.5900155011454	-	-	-	-
Other	-	-	18,071	18,346
	<b>2,243,808</b>	<b>1,700,000</b>	1,502,671	8,326,168

**5. Strengthening Transparency & Accountability in Public Financial Management**

**IFMIS Infrastructural Upgrade**

IFMIS Infrastructural Upgrade/IFMIS Infrastructure and Data Center Modernized

241,442	812,608	138,936	1,417,312
<b>241,442</b>	<b>812,608</b>	138,936	1,417,312

**Strengthening the Capacity of PFM Institutions**

Support to the CAG Office	75,619	89,635	213,332	617,259
Support to strengthen the LIPA	3,500	-	43,316	63,316
Support to strengthen the LICPA	7,100	4,800	40,214	61,534
	<b>86,219</b>	<b>94,435</b>	296,862	742,109

**NOTES TO THE FINANCIAL STATEMENTS (Continue)**

**Support to Integrity & Oversight Institutions & CSO**

**Support to Integrity & Oversight Institutions & CSOs**

Strengthen Internal Controls & Audit	-	10,918	30,735	59,502
Support to SoE Financial Reporting Unit	112,759	56,162	-	188,906
Support to Liberia Anti-Corruption Commission	27,840	76,339	74,291	300,326
Support to Non-State Actor Secretariat (NAS) Strengthen the Public Accounts Committee	34,486	40,652	123,124	363,775
	55,386	52,292	-	178,139
	<u>230,472</u>	<u>236,362</u>	<u>228,150</u>	<u>1,090,648</u>

**Aid Management, Macroeconomic Forecasting & Financial Reporting**

**Aid Management, Macroeconomic Forecasting & Financial Reporting**

Support to Economic Management Department Support to Aid Management Unit	150,672	21,624	47,163	254,146
	210,507	94,480	203,322	617,081
	<u>361,179</u>	<u>116,104</u>	<u>250,485</u>	<u>871,227</u>
	<u>919,312</u>	<u>1,259,510</u>	<u>914,433</u>	<u>4,121,297</u>

**6. Revenue Mobilization & Administration**

Strengthening Revenue Mobility and Administration	254,707	408,882	686,932.00	1,814,956
Support to LEITI's Transition	246,924	58,707	29,947.00	448,969
Strengthening Capacity of the African Peer Review Mechanism	-	71,615	62,777.00	338,149
Broadening the Public Discourse Platform on Natural Resource Governance & Mobilization	55,481	498	33,170.00	89,149
Support to the Financial Intelligence Unit	12,231	-	-	79,573
	569,343	539,702	812,826	2,770,795

**7. Program Governance Project Management**

Project Coordination

	58,281	144,748	27,508.00	321,896
	<u>58,281</u>	<u>144,748</u>	<u>27,508</u>	<u>321,896</u>

**NOTES TO THE FINANCIAL STATEMENTS (Continue)**

**8. Cash receipts through grant and other Sources**

IDA grant	2,243,808	1,700,000	1,502,671	8,326,168
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**9. Cash paid**

Strengthening Transparency & Accountability in Public Financial Management	919,312	1,259,510	914,433	4,121,297
Revenue Mobilization & Administration Program Governance Project Management	569,343	539,702	812,826	2,770,795
	58,281	144,748	27,508	321,896
<b>Total Payments</b>	<b>1,546,935</b>	<b>1,943,960</b>	<b>1,754,767</b>	<b>7,213,988</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continue)**

**10. PROJECT DESIGNATED ACCOUNT STATEMENT**

**Account Number:** 1602003220 / 1602003237 / 1602003244  
**Account Type:** Current Account  
**Depository Bank:** Central Bank of Liberia  
**Address:** Ashmun Street  
 Monrovia, Liberia  
**Currency:** United States Dollars

		SPECIAL BUDGET YEAR	
	2022 December	July 1, 2021 - December 31, 2021	
Total Grant Received	2,243,808	1,700,000	1,502,671
<b>Total grant income reported</b>	<b>2,243,808</b>	<b>1,700,000</b>	<b>1,502,671</b>
Amount spent	1,546,935	1,943,960	1,754,767
Balance as at beginning	163,530	407,489	752,318
<b>Balance as at December 31, 2022</b>	<b>860,402</b>	<b>163,529</b>	<b>500,222</b>
<b>Closing Balance Consist of:</b>			
02/205/300002/04 (Central Bank of Liberia)- ADF	856,042	156,929	(21,919)
02/205/300002/02 (Central Bank of Liberia)- TSF 1	3,641	5,676	378,160
02/205/300002/03 (Central Bank of Liberia)- TSF 2	32	238	50,561
Petty Cash	687	687	687
	<u>860,402</u>	<u>163,530</u>	<u>407,489</u>