



Promoting Accountability of Public Resources

AUDITOR GENERAL'S REPORT

**On the Financial Statements Audit of the
Improving Results for Secondary Education
(IRISE) Project IRISEP: PI 64932: Grant
No. IDA D5030**

***For the Fiscal Period July 1, 2021 to
December 31, 2022***

June 2023



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

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AUDITOR GENERAL'S REPORT

June 30, 2023

Prof. D. Ansu Sonii, Sr.

Minister of Education

Improving Results for Secondary Education Project

Ministry of Education

Ministerial Complex

Monrovia, Liberia

Ref: AUDITOR GENERAL'S REPORT ON THE FINANCIAL STATEMENTS AUDIT OF THE IMPROVING RESULTS FOR SECONDARY EDUCATION PROJECT (IRISEP)

Opinion

We have audited the accompanying financial statements of Improving Results for Secondary Education Project (IRISEP), Grant No. IDA D5030 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 Improving Results for Secondary Education (IRISEP) Project Implementing Unit (PIU) of the Ministry of Education (MOE) 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, CFC
Auditor General, R.L.**



Monrovia, Liberia
June 2023

Improving Results for Secondary Education (IRISE) Project

Financial Statement of World Bank Funded
Project

for eighteen months ended December 31, 2022.

IRISEP: P164932: Grant No. IDA D5030

Ministry of Finance & Dev't Planning
Project Financial Management Unit (PFMU)

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GENERAL INFORMATION

PROJECT MANAGEMENT TEAM

Project Financial Management Unit:

Papin Daniels, Jr, CA, CPA
Unit Director
Project Financial Management Unit (PFMU)

Leroy N. 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:

Abraham Kiazolu
Project Coordinator
Improving Results in Secondary Education (IRISE)

Project Location:

Ministry of Education
Inter-Ministerial Complex
Congo Town
Liberia

Bankers:

Liberia Bank for Development & Investment (LBDI)
9th Street, Sinkor
Monrovia

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			Cumulative
		December 31, 2022	July 1, 2021 - Dec. 31, 2021	June 30, 2021	
Receipt					
IDA Grant	4	5,797,631	3,181,999	6,046,565	15,662,695
Toptal Receipt		5,797,631	3,181,999	6,046,565	15,662,695
Payment					
Improving access and learning environment at the senior secondary level	5	3,877,635	2,701,500	-	6,579,135
Increasing opportunities for girls to transition to and complete senior secondary education	6	1,621,126	-	-	1,621,126
Improving quality and relevance of senior secondary education	7	2,063,216	-	1,000,000	3,063,216
Capacity building, TA, project coordination, and M&E	8	1,518,523	657,932	2,152,894	3,138,421
Contingency	9	-	3,500	-	-
Total Payments		9,080,501	3,362,932	3,152,894	14,401,898
Excess of receipts over payments (payments over receipts)		(3,282,870)	(180,933)	2,893,671	1,260,797
Fund Balance as at beginning		3,223,563	3,404,496	510,825	-
Cummulative fund balance		(59,307)	3,223,563	3,404,496	1,260,797

The notes on pages 6 to 9 are integral part of these project 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>	Notes	SPECIAL BUDGET YEAR		
		December 31, 2022	July 1, 2021 - Dec. 31, 2021	2021 June
A Fund Balance				
Balance of Project Fund		3,223,563	3,404,496	510,825
Add: Total Receipts during the period		5,797,631	3,181,999	6,046,565
Total Fund available for operations		9,021,194	6,586,495	6,557,391
Less: Total Payments during the period		9,080,501	3,362,932	3,152,894
Balance of project fund at the end of the year		(59,307)	3,223,563	3,404,496
B Cash Status:				
Cash at Bank		(59,307)	3,223,563	3,404,496
Total Cash on hand and in bank		(59,307)	3,223,563	3,404,496
Difference between A and B		0	-	-

The notes on pages 6 to 9 are integral part of these project financial reports

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022 4
Analysis of Variance

Activities Within Components	Project	Annual	Actual	Variance
	Allocation	Expenditure	Expenditure	
	US\$	US\$	US\$	US\$
Improving access and learning environment at the senior secondary level	14,400,000	6,958,850	6,579,135	379,715
Increasing opportunities for girls to transition to and complete senior secondary education	5,000,000	2,010,000	1,621,126	388,875
Improving quality and relevance of senior secondary education	19,000,000	3,390,242	2,063,216	1,327,026
Capacity building, TA, project coordination, and M&E	7,100,000	2,329,005	2,176,455	152,550
Covid 19 Emergency Response	1,500,000	3,500	3,500	-
Total	47,000,000	14,691,597	12,443,433	2,248,164

The notes on pages 6 to 9 are integral part of these project financial reports

Variance Explanation

The 5.5 percent underutilization of the annual allocation for the component was due to delays in transfer of the third tranche grant to some of the 156 SSS implementing the school renovation and rehabilitation grant using CEA.

The 19.3 percent underutilization of the annual allocation for the component was due to delays in transfer of the first semester AY 2022/2023 stipends and registration fees to the girls scholarship beneficiaries.


The 39.1 percent underutilization of the annual allocation for the component was due to delays in (i) the verification of PBC 4.2 with the value US\$1,000,000, and (ii) signing of contract for the revision and adaptation of textbooks for grades 10 to 12 which was expected to trigger an advance payment of over US\$327,000.

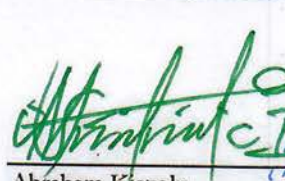
The 6.5 percent underutilization of the annual allocation for the component was mainly due to delays in the implementation of the EMIS capacity building activities.

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

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<i>In United States Dollars</i>	SPECIAL BUDGET YEAR		
	December 31, 2022	July 1, 2021 - Dec. 31, 2021	2021 June
Assets			
Cash and cash equivalent	<u>(59,307)</u>	<u>3,223,563</u>	<u>3,404,496</u>
Total Assets	<u>(59,307)</u>	<u>3,223,563</u>	<u>3,404,496</u>
Fund Balance			
Grants	<u>(59,307)</u>	<u>3,223,563</u>	<u>3,404,496</u>
Accumulated Fund Balance	<u>(59,307)</u>	<u>3,223,563</u>	<u>3,404,496</u>

 31/03/23
Papi Daniels, Jr.
Director, Donor Financed Projects
PFMU, MFD

 31/03/23
Abraham Kiazolu
Project Coordinator-IRISE
MOE

RESULTS IN SECONDARY EDUCATION
IRISE
Technical Lead
MOE PROJECT

The notes on pages 6 to 12 are integral part of these project financial reports

1. Background and Information of the Project

With support from the World Bank; the Improving Results in Secondary Education-project is geared towards improving equitable access to, and quality of, senior secondary education. The IRISE project was approved by the World Bank on July 2, 2019 with a grant amount of USD 47.00 Million and it became effective on October 15, 2019. The aims of the project are:

- i. To improve access and learning environment at the senior secondary level;
- ii. Increasing opportunities for girls to transition and complete senior secondary education;
- iii. Improving quality and relevance of senior secondary education;
- iv. Capacity building, technical assistance, project coordination and monitoring and evaluation;
- v. Contingent emergency response.

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
GD, CS, TR, OC Part 1 & 4 excluding Part 1C etc	16,433,024	100
Eligible Expenditure Programs Part 2 & 3	24,050,432	100
School Grants Part 1CI of the project	354,160	100
School Grants Part 1CII of the project	6,162,384	100
Total	47,000,000 =====	

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

	% of Expenditure
IDA	100
Total	100 =====

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 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 IRISE 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 IRISE 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. Taxes are withheld on consultants and vendors.

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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<i>In United States Dollars</i>	July 1, 2021		June 2021	Cummulative
	December 31, 2022	- Dec. 31, 2021		
4 Grant Receipt				
TF Credit	4,808,257	3,181,999	4,834,252	13,461,008
Direct Payment				
TF Credit	989,373	-	1,212,313	2,201,687
	<u>5,797,631</u>	<u>3,181,999</u>	<u>6,046,565</u>	<u>15,662,695</u>
5 Improving access and learning environment at the senior secondary level				
Improving access to Senior Secondary Education	765,602	-	-	765,602
School improvement grants	3,112,033	2,701,500	-	5,813,533
	<u>3,877,635</u>	<u>2,701,500</u>	<u>-</u>	<u>6,579,135</u>
6 Increasing opportunities for girls to transition to and complete senior secondary education				
Scholarships for Girls in Counties with the Highest Female Dropout Rates at the Senior Secondary Level	1,121,126	-	-	1,121,126
Supporting Safer Learning Environments in Senior Secondary Schools for Girls	500,000	-	-	500,000
	<u>1,621,126</u>	<u>-</u>	<u>-</u>	<u>1,621,126</u>
7 Improving quality and relevance of senior secondary education				
Subcomponent 3.1 (A) Modernizing pre-service teacher training	-	-	500,000	500,000
Subcomponent 3.3 Providing opportunities for acquisition of digital skills and competencies	1,004,989	-	-	1,004,989
Subcomponent 3.2 Providing teaching and learning materials for senior secondary schools	75,342	-	500,000	575,342
Subcomponent 3:1(C) Improving the management and quality of the teaching workforce	982,885	-	-	982,885
	<u>2,063,216</u>	<u>-</u>	<u>1,000,000</u>	<u>3,063,216</u>
8 Capacity building, TA, project coordination, and M&E				
Project coordination, management and monitoring	1,518,523	657,932	2,152,894	3,138,421
	<u>1,518,523</u>	<u>657,932</u>	<u>2,152,894</u>	<u>3,138,421</u>
9 Contingency	-	3,500	1,316,604	1,320,104

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

SPECIAL
BUDGET
YEAR

9

<i>In United States Dollars</i>	December 31, 2022	July 1, 2021 - Dec. 31, 2021	June 2021	Cummulative
10 Cash receipts through grant and other Sources				
IDA grant	5,797,631	3,181,999	6,046,565	15,662,695
11 Cash paid				
Improving access and learning environment at the senior secondary level	3,877,635	2,701,500	-	6,579,135
Increasing opportunities for girls to transition to and complete senior secondary education	1,621,126	-	-	1,621,126
Improving quality and relevance of senior secondary education	2,063,216	-	1,000,000	3,063,216
Capacity building, TA, project coordination, and M&E	1,518,523	657,932	2,152,894	3,138,421
Contingency	-	3,500	-	-
Total Payments	9,080,501	3,362,932	3,152,894	14,401,898

lvt

PROJECT DESIGNATED ACCOUNT STATEMENT

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Account Number: 001USD21322308402
Account Type: Current Account
Depository Bank (s): LBDI
Address: 9th Street, Sinkor
 Monrovia, Liberia

Currency: United States Dollar

	SPECIAL BUDGET YEAR		
	December 31, 2022	July 1, 2021 - December 31, 2021	2021 June
Total Grant Received	<u>5,797,631</u>	<u>3,181,999</u>	6,046,565
Total grant income reported	5,797,631	3,181,999	6,046,565
Amount spent	9,080,501	3,362,932	3,152,894
Balance as at beginning	<u>3,223,563</u>	<u>3,404,496</u>	510,825
Balance as at December 31, 2022	<u>(59,307)</u>	<u>3,223,563</u>	<u>3,404,496</u>
Closing Balance Consist of:			
Petty Cash	2	297	-
PPA Account	140	140	140
OPER A/C LBDI	(59,624)	3,223,126	3,404,356
Designated A/c - UBA	175	-	-
	<u>(59,307)</u>	<u>3,223,563</u>	<u>3,404,496</u>

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