



Promoting Accountability of Public Resources

AUDITOR GENERAL'S REPORT

**On The Financial Statement Audit of the
Liberia Road Asset Management Project
(LIBRAMP)**

**IDA Grant No 49500, 51670, & 60370 and
TF 99588**

***For The 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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ACRONYMS

Abbreviation	Meaning
ACCA	Association of Chartered Certified Accountants
AfDB	African Development Bank
APA	Assistant Project Accountant
AG	Auditor General
AWPB	Annual Work Plan and Budget
BC	Box Culvert
CE	Contracting Entity
CFC	Certified Financial Consultant
CFIP	Certified Forensic Investigation Professional
CPA	Certified Public Accountant
CHICO	China Henan International Cooperation
CICO	Chongqing International Construction Corporation
CS	Consultancy Services
FA	Financing Agreement
FAR	Fixed Assets Register
FPM	Financial Procedure Manual
GOL	Government of Liberia
IDA	International Development Association
IIU	Infrastructure Implementation Unit
LHS	Left Hand Side
LIBRAMP	Liberia Road Asset Management Project
LRTF	Liberia Reconstruction Trust Fund
MC	Monitoring Consultant
MOFDP	Ministry of Finance & Development Planning
MPW	Ministry of Public Works
OPRC	Output and Performance-Based Road Contract
PAD	Project Appraisal Document
PAPs	Property Affected Persons
PDO	Project Development Objectives
PFMU	Project Financial Management Unit

*Auditor General's Report On the Financial Statement
 Audit of the Liberia Road Asset Management Project (LIBRAMP)
 For The Period July 1, 2021 To December 31, 2022.*

Abbreviation	Meaning
PIM	Project Implementation Manual
PIP	Project Implementation Plan
PIU	Project Implementation Unit
PSC	Project Steering Committee
RAP	Resettlement Action Plan
RHS	Right Hand Side
RPF	Resettlement Policy Framework
RoW	Right of Way
SBD	Sample Bidding Document
SDR	Special Drawing Rights
SIU	Special Implementation Unit
SOE	Statement of Expenditures
WB	World Bank



Republic of Liberia



AUDITOR GENERAL'S REPORT

June 30, 2023

Hon. Ruth Coker-Collins
Minister
Ministry of Public Works
Lynch Street
Monrovia, Liberia

Dear Hon. Coker-Collins:

AUDITOR GENERAL'S REPORT ON THE FINANCIAL STATEMENT AUDIT OF THE LIBERIA ROAD ASSET MANAGEMENT PROJECT (LIBRAMP) FOR THE PERIOD JULY 1, 2021 TO DECEMBER 31, 2022.

Opinion

We have audited the accompanying financial statements of the Liberia Road Asset Management Project (LIBRAMP) IDA Grant No 49500, 51670, & 60370 and TF 99588 for the fiscal period ended December 31, 2022, which comprise the statement of Receipts and Payments, Statement of Comparison of Budget and Actual Amount and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements (Grant Agreement No P125574, IDA Cr. 49500, 51670, & 60370, TF 99588) present fairly in all material respects the Statement of Receipts and Payments as at December 31, 2022, Statement of Comparison of Budget and Actual Amount and a summary of significant accounting policies and other explanatory information for the fiscal 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 for Supreme Audit Institutions (ISSAI's). 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 Liberia Road Asset Management (LIBRAMP) Project of the Ministry of Public Works 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's Responsibilities

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 LIBRAMP Management is responsible for overseeing the Project's financial reporting process.

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



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

In United States Dollars	Notes	December 31, 2022	Special Budget Year July 1, 2021 to December 31, 2021	June 30, 2021	Cumulative
Receipt					
IDA Grant & TF	4	12,746,622.00	8,601,599.00	10,945,841.00	243,517,861.00
Total Receipt		<u>12,746,622.00</u>	<u>8,601,599.00</u>	<u>10,945,841.00</u>	<u>243,517,861.00</u>
Payments					
Component 1-Civil Works	5	11,036,438.00	5,281,251.00	11,688,017.00	211,121,665.00
Component 2-Consultancy Services	6	2,979,937.00	1,601,623.00	6,599,297.00	31,801,397.00
Total Payments		<u>14,016,375.00</u>	<u>6,882,874.00</u>	<u>18,287,314.00</u>	<u>242,923,062.00</u>
Excess of receipts over payments (payments over receipts)		(1,269,753.00)	1,718,725.00	(7,341,473.00)	594,799.00
Fund Balance as at beginning		1,864,552.00	11,133,428.00	7,487,300.00	-
Cumulative fund balance		<u>594,799.00</u>	<u>12,852,153.00</u>	<u>145,827.00</u>	<u>594,799.00</u>

NB: activities and amount heighted are reclassified

The notes on pages 11 to 15 are integral part of these project financial reports.

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

In United States Dollars	Notes	December 31, 2022	Special Budget Year July 1, 2021 to December 31, 2021	June 30, 2021
A: FUND BALANCE				
Balance of Project Fund		1,864,552	145,827	7,487,300
Add: Total Receipts during the period		<u>12,746,622</u>	<u>8,601,599</u>	<u>10,945,841</u>
Total fund available for operations		14,611,174	8,747,426	18,433,141
Less: Total payments during the period		14,016,375	6,882,874	18,287,314
Balance of project funds at the end of the year		<u>594,799</u>	<u>1,864,552</u>	<u>145,827</u>
B. CASH STATUS:				
Cash at bank		594,799	1,864,552	145,827
Difference between A and B		-	-	-
Total cash on hand and in bank		<u>594,799</u>	<u>1,864,552</u>	<u>145,827</u>

The notes on pages 11 to 15 are integral part of these project financial reports.

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


Note 9: Analysis of Variance


Activities within components	Project Allocation	Budget	Actual Expectation	Variance	% of Variance
In United States Dollars					
Component 1- Civil Works	267,800,000	18,585,000	16,317,689	2,267,311	12%
Component 2- Consultancy Services	46,600,000	5,858,091	4,581,561	1,276,530	22%
Grand Total	<u>314,400,000</u>	<u>24,443,091</u>	<u>20,899,250</u>	<u>3,543,841</u>	14%

The notes on pages 11 to 15 are integral part of these project financial reports.

STATEMENT OF FINANCIAL POSITION
 AS AT DECEMBER 30, 2021

In United States Dollars	December 31, 2022	Special Budget Year July 1, 2021 to December 31, 2021	June 30, 2021
Assets			
Cash & Cash Equivalent	594,799	1,864,552	145,827
Total Assets	<u>594,799</u>	<u>1,864,552</u>	<u>145,827</u>
Fund Balance			
Grants	594,799	1,864,552	145,827
Accumulated Fund Balance	<u>594,799</u>	<u>1,864,552</u>	<u>145,827</u>


June 30, 2023
Rapin Daniels, Jr
 Director, Donor Financed Projects
 PFMU, MFDP


20/6/23
Emmanuel Baker
 Program Manager-LIBRAMP
 MPW

The notes on pages 11 to 15 are integral part of these project financial reports.

NOTES TO THE FINANCIAL STATEMENTS

1. Background and Information of the Project

With support from the World Bank (WB), the Liberia Road Asset Management Project is geared towards supporting the effort of the Liberian government's effort to reduce transport costs along the road corridor from Monrovia to the Guinea border and maintaining the road in good condition over a 10-year period. The LIBRAMP project was approved by the World Bank on July 13, 2011 December 19, 2012 & July 25, 2017 with a grant amount of USD 314.4 Million. The aim of the project is

1. To design, rehabilitate and maintain the Monrovia (Red Light)-Ganta-Guinea border road;
2. Financing a consultancy services firm to perform as MCs for the OPRCs, and also financing the needed technical assistance for the preparatory road feasibility studies and the development of sector institutions through hiring of skilled staff and firms, and training programs including operation costs;

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
Civil Works	220,000,000	100
Consultancy Services	46,600,000	100
GOL Contribution	47,800,000	100
Total	314,400,000	

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

	% of Expenditure
IDA	100
Total	100

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) 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/Credit/Loan Receipts

Grant/Credit/Loan from donors for the LIBRAMP 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 disbursements purposes. All payments for the LIBRAMP 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 Word 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)

In United States Dollars	Notes	December 31, 2022	Special Budget Year July 1, 2021 to December 31, 20221	June 30, 2021	Cumulative
4. Grant Receipt					
IDA 49500-Designated A/C		1,008	919,025		14,964,322
IDA 51670-Designated A/C		1,200,000	1,156,903	-	13,480,640
IDA 60370-Designated A/C		1,201,477	1,757,938	-	10,288,982
TF99588-Direct Payment		-	1,316,539	3,519,806	108,900,000
IDA 49500-Direct Payment		-	564,231	1,508,488	47,293,306
IDA 51670- Direct Payment		-	-	334,019	22,106,530
IDA 60370--Direct Payment		10,344,138	2,886,963	5,583,528	26,472,499
Sales of Bids		-	-	-	11,582
Total Receipt		<u>12,746,623</u>	<u>8,601,599</u>	<u>10,945,841</u>	<u>243,517,861</u>
5. Component 1-Civil Works					
Lot 1: Monrovia to Gbarnga-Works (CICO)		5,407,098	3,983,409	6,484,394	149,843,942
Lot 2: Gbarnga-Ganta Guinea Border (CHICO)		2,152,391	1,297,842	3,251,309	51,769,442
Sub-Component 1.2-ELWA to Redlight Road		3,476,950	-	1,952,314	9,508,281
Sub-Component 1.3-ELWA Intersection		-	-	-	-
		<u>11,036,439</u>	<u>5,281,251</u>	<u>11,688,017</u>	<u>211,121,665</u>
6. Component 2-Consultancy Services					
Lot 1: Monitoring Supervision Consultancy (OPUS)		-	-	60,581	6,717,057
Lot 2: Monitoring Supervision Consultancy (IMC)		909,614	623,364	937,222	5,027,047
Supervision Consultancy for ELWA Intersection		-	-	-	604,463
Two Year Technical Audit		8,400	-	-	227,636
3 Year Institutional Capacity Building		-	-	-	108,805
2-Year Strategic Investment Plan		-	-	-	-
2- Year Multi Modal Transport Plan		-	-	-	-
Component Other Consultancy Road Asset Manager		83,210	-	-	638,309
		-	-	-	-

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For The Period July 1, 2021 To December 31, 2022.*

Pavement Management Specialist	-	-	-	-
TSG	-	-	-	2,899,083
TST Consultant	87,300	95,904	189,900	1,913,136
Short-term Experts "Call off"	-	-	-	-
Operating Expenses-PFMU & IIU	578,155	564,183	1,158,408	6,516,175
Tiger Party	-	-	32,500	351,284
RAP Settlement	48,290	97,600	3,244,148	4,233,956
Road Safety	1,264,968	220,573	976,539	2,564,446
Price Contingency	-	-	-	-
	<u>2,979,937</u>	<u>1,601,624</u>	<u>6,599,297</u>	<u>31,801,397</u>

7. Cash receipts through grant and other Sources

IDA grant & TF	12,746,623	8,601,599	10,945,841	243,517,861
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8. Cash paid

Component 1 - Civil Works	11,036,439	5,281,251	11,688,017	211,121,665
Component 2 - Consultancy Services	2,979,937	1,601,624	6,599,297	31,801,397
Total Payments	<u>14,016,376</u>	<u>6,882,875</u>	<u>18,287,314</u>	<u>242,923,062</u>

9. Variance Explanation

Variances are as results of the contractor did not submit an IPC during the period under review as per the cash forecast. Anticipated RAPs payments could not be made during the period under review.

NOTES TO THE FINANCIAL STATEMENTS (Continue)

PROJECT DESIGNATED ACCOUNT STATEMENT

10

Account Number: 6100063682/6100063982/6100403032
Account Type: Current Account
Depository Bank (s): Eco Bank Liberia Limited
Address: 11th Street Sinkor
 Monrovia, Liberia

Currency: United States Dollar

SPECIAL BUDGET YEAR

	December 31, 2022	July 1, 2021 - December 31, 2021	June 2021
Total Grant Received	12,746,622	8,601,599	10,945,841
Total grant income reported	12,746,622	8,601,599	10,945,841
Amount spent	-	-	-
Balance as at beginning	- 14,016,376	6,882,874	-18,287,314
	1,864,552	145,827	7,487,300
Balance as at December 31, 2022	<u>594,799</u>	<u>1,864,552</u>	<u>145,827</u>
Closing Balance Consist of:			
IDA 49500: Ecobank 1	631	23,553	22,580
IDA 51670 : Ecobank 2	475,207	1,185,036	96,453
IDA 60370 : Ecobank 3	116,961	649,432	23,571
Petty Cash – PFMU	-	3,534	1,580
Petty Cash – IIU	-	2,997	1,643
Petty Cash - Road Safety	2,000	-	-
	<u>594,799</u>	<u>1,864,552</u>	<u>145,827</u>