

*AUDITOR GENERAL'S REPORT On the
Financial Statements Audit of the Liberia Urban Resilience
Project For the Period March 1, 2022 to February 28, 2023.*



Promoting Accountability of Public Resources

AUDITOR GENERAL'S REPORT

**On the Financial Statements Audit of the
Liberia Urban Resilience Project (LURP)**

**For the Period March 1, 2022 to February 28,
2023.**

**GRANT NUMBER: LURP: P169718, CREDIT
Number: IDA V3930**

June 2023

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

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*AUDITOR GENERAL'S REPORT On the
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For the Period March 1, 2022 to February 28, 2023.*

June 30, 2023

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

Dear Hon. Collins:

AUDITOR GENERAL'S REPORT ON THE FINANCIAL STATEMENTS AUDIT OF THE LIBERIA URBAN RESILIENCE PROJECT (LURP) FOR THE PERIOD MARCH 1, 2022 TO FEBRUARY 28, 2023

Opinion

We have audited the accompanying financial statements of the Liberia Urban Resilience Project (LURP) financed by Grant Number: LURP: P169718, CREDIT Number: IDA V3930 for the period **March 1, 2022 to February 28, 2023** 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 for the period then ended March 1, 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 Liberia Urban Resilience (LURP) Project Implementing Unit (PIU) of the Ministry of Public Works (MPW) 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.



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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. Gaisava, ACCA, CFIP, CFC
Auditor General,
OFFICE OF THE
AUDITOR GENERAL,
REPUBLIC OF LIBERIA



Monrovia, Liberia

June 2023



*AUDITOR GENERAL'S REPORT On the
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**Financial Statements of Liberia Urban Resilience Project (LURP)
FOR THE PERIOD MARCH 1, 2022 TO FEBRUARY 28, 2023**

Project financial statements

From March 1, 2022 to February 28, 2023.

INSTITUTIONAL DETAILS/INFORMATION

PROJECT ADDRESS: Program Management Unit, Ministry of Public Works
Lynch Street
Monrovia, Liberia

BANKER: Eco Bank Liberia Limited
(USD) Account:
11th Street, Sinkor
Monrovia, Liberia

AUDITOR: General Auditing Commission of Liberia, Old Executive Mansion,
Ashmun Street, Monrovia, Liberia

KEY MEMBERS OF THE PROJECT COORDINATING UNIT

NAMES	
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*AUDITOR GENERAL'S REPORT On the
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	ROLES
James Reynolds	Assisting Minister, Planning and Programs/ Acting Project Coordinator
Sonnie Doe	Supporting Procurement Officer



AUDITOR GENERAL'S REPORT *On the
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GENERAL INFORMATION

PROJECT MANAGEMENT TEAM

Project Financial Management Unit:	Papin Daniels, Jr, CA, CPA, CFE 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:	Gabriel S. Flaboe, Sr Project Coordinator Liberia Urban Resilience Project (LURP)
Project Location:	Ministry of Public Works Paynesville Liberia
Bankers:	Ecobank Liberia Limited 11 th Street Sinkor Monrovia



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

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<i>In United States Dollars</i>	Notes	December 31, 2022
Receipt		
TF Grant	4	<u>393,600</u>
Total Receipt		<u><u>393,600</u></u>
Payment		
Component 1	5	67,910
Component 2	6	-
Component 3	6	55,111
Component 4	8	-
Total Payments		<u><u>123,021</u></u>
Excess of receipts over payments (payments over receipts)		270,579
Fund Balance as at beginning		<u>-</u>
Cummulative fund balance		<u><u>270,579</u></u>



*AUDITOR GENERAL'S REPORT On the
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**STATEMENT OF FUND BALANCE AND CASH STATUS
FOR THE PERIOD ENDED DECEMBER 31, 2022**

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In United States Dollars

**December
31, 2022**

A	Fund Balance	
	Balance of Project Fund	-
	Add: Total Receipts during the period	393,600
	Total Fund available for operations	393,600
	Less: Total Payments during the period	123,021
	Balance of project fund at the end of the year	270,579
B	Cash Status:	
	Cash at Bank	270,579
	Total Cash on hand and in bank	270,579
	Difference between A and B	-



**AUDITOR GENERAL'S REPORT On the
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For the Period March 1, 2022 to February 28, 2023.**

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

Activities Within Components	Project Allocation	Annual	Actual Expenditure	Variance
	US\$	US\$	US\$	US\$
Component 1	30,000,000	605,000	67,910	537,090
Component 2	6,000,000	-	-	-
Component 3	4,000,000	352,800	55,111	297,689
Total	40,000,000	957,800	123,021	834,779

The notes on pages 6 to 8 are integral part of these project financial reports

Variance Explanation

Variance is as a result of not completing and executing all the activities planned during the PPA period




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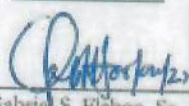
**STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022**

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<i>In United States Dollars</i>	Notes	December 31, 2022
Assets		
Cash and cash equivalent		<u>270,579</u>
Total Assets		<u>270,579</u>
Fund Balance		
Grants		<u>270,579</u>
Accumulated Fund Balance		<u>270,579</u>



 Papin Daniels, Jr.
 Director, Donor Financed Projects
 PFMU, MFDI




 Gabriel S. Flaboe, Sr.
 Project Coordinator-LURP
 MPW

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

Note: We signed this instrument because we are sitting project Coordinator for LURP since March 1, 2023. The activities executed under LURP in 2022 was under the PPA coordinated by MPW Personnel. Therefore, I have signed with disclaimer.

05/23





NOTES TO FINANCIAL STATEMENTS

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1. Background and Information of the Project

With support from the World Bank (WB); the Liberia Urban Resilience -project is to enhance urban living conditions and climate resilience in Greater Monrovia, and to strengthen municipal and institutional capacities for integrated urban management. The LUR project was approved by the World Bank on November 2, 2021 with a Preparatory advance amount of USD 2 Million. The aims of the project are:

- i. To improve basic infrastructure and services in selected poor and vulnerable neighborhoods and markets and strengthen flood and climate resilience. An area-based approach will be implemented that takes a multisectoral and comprehensive resilient urban upgrading approach, considering the interconnected needs of the target neighborhoods and markets. Infrastructure to be upgraded will be designed to meet climate resilient standards and incorporate adaptation and mitigation benefits where possible;
- ii. To support capacity building of municipalities and institutions associated with resilient urban development and flood risk management in the Greater Monrovia Area. Capacity building activities are intended to contribute to better planning, increasing fiscal space, and improved coordination, which in turn are intended to contribute to improved management, operation, and maintenance of infrastructure. The component will finance technical assistance to review and update the 2009 Master Plan and will be based on analytical work from the Bank10 and others to assist in identifying short, medium, and long-term resilient investments in the city;
- iii. To finance the Project Management Unit (PMU) activities related to project coordination, safeguards implementation, M&E, procurement, etc. Operational costs to support efficient management of the project will be included.
- iv. To mitigate situations of urgent need and allows for the rapid reallocation of funding in the event of a natural disaster or crisis that has caused, or is likely to imminently cause, a major adverse economic and/or social impact.

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
Resilient Urban Upgrading in Greater Monrovia	30,000,000	100
Strengthening Integrated Resilient Urban Development Capacity	6,000,000	100
Project Management	4,000,000	100
Total	40,000,000	

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

	% of Expenditure
IDA	100
Total	100



NOTES TO FINANCIAL STATEMENTS *(continued)*

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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.

Loan Receipts

Loan from donors for the LURP 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 transitory purposes. Amounts approved for disbursement are transferred from the designated account into another bank account called the operational account. All payments for the LURP 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

The special budget year came about when the GOL transitioned from fiscal year to the calendar year which started in 2022. There is no comparison for this account because this is the first audit for this project and this is also the project preparatory advance.



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NOTES TO THE FINANCIAL STATEMENTS *(continued)*

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In United States Dollars

**December
31, 2022**

4 Grant Receipt	
IDA V3930	393,600
IDA V3930 -Direct Payment	-
	<u>393,600</u>
5 Component 1	
Resilient Urban Upgrading in Greater Monrovia	<u>67,910</u>
	<u>67,910</u>
6 Component 3	
Project Management	<u>55,111</u>
	<u>55,111</u>
7 Cash receipts through grant and other Sources	
IDA grant	393,600
8 Cash paid	
Component 1	67,910
Component 3	55,111
Total Payments	<u><u>123,021</u></u>



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PROJECT DESIGNATED ACCOUNT STATEMENT

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Account Number: 6101845892
 Account Type: Current Account
 Depository Bank (s): Ecobank
 Address: 11th Street, Sinkor
 Monrovia, Liberia

Currency: United States Dollar

	December 31, 2022
Total Grant Received	393,600
Total grant income reported	393,600
Amount spent	123,021
Balance as at beginning	-
Balance as at December 31, 2022	270,579
Closing Balance Consist of:	
TF Designated A/c-IB	270,579
	270,579

