



Promoting Accountability of Public Resources

## AUDITOR GENERAL'S REPORT

**ON THE FINANCIAL STATEMENT AUDIT OF  
THE AFDB - MANO RIVER UNION ROAD  
DEVELOPMENT AND TRANSPORT FACILITY  
PROGRAMME (MRU/RDTFP)**

**FOR THE YEAR ENDED DECEMBER 31,  
2022**

**June 30 2023**

**P. Garswa Jackson, Sr. ACCA, CFIP, CFE  
AUDITOR GENERAL, R.L.**



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*Auditor General's Report ON THE FINANCIAL STATEMENT AUDIT OF THE  
AFDB - MANO RIVER UNION ROAD DEVELOPMENT AND TRANSPORT FACILITY PROGRAMME (MRU/RDTFP)  
FOR THE YEAR ENDED DECEMBER 31, 2022*

June 30, 2023

Hon. Ruth Cooker-Collins  
**Minister**  
Ministry of Public Works  
Lynch Street  
Republic of Liberia

Dear Hon. Collins:

**AUDITOR GENERAL'S REPORT ON THE FINANCIAL STATEMENT AUDIT OF THE MANO RIVER UNION ROAD DEVELOPMENT AND TRANSPORT FACILITY PROGRAMME (MRU/RDTFP-I) PROJECT FOR THE EIGHTEEN MONTHS PERIOD ENDED DECEMBER 31, 2022.**

**Opinion**

We have audited the accompanying financial statements of the Mano River Union Road Development and Transport Facility Programme (MRU/RDTFP-1) Project for the period July 1, 2021 to December 31, 2022, which comprises the Statement of Receipts and Payments, Statement of Fund Balance and Cash Status, Statement of Comparison of Budget and Actual Amounts, Statement of Financial Position 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 year then ended 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 eighteen months 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 the 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 Mano River Union Road Development and Transport Facility Programme (MRU/RDTFP-1) Project Implementation Unit (PIU) of the Ministry of Public Works (MPW) 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 Project Implementation Manual (PIM) 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 Responsibility**

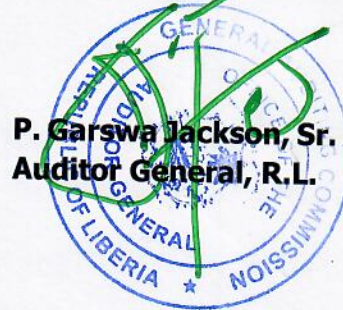
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS Cash Basis, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether 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 concerned 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 Project Financial Management Unit (PFMU) 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 Responsibilities**

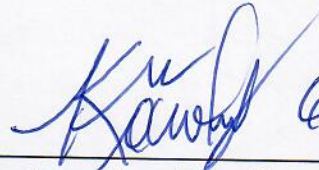
We acknowledge that the Management of the Mano River Union Road Development and Transport Facility Programme (MRU/RDTFP-1) is responsible for all information and presentation contained in the accompanying financial statements comprising the Statement of Receipts and Payments, Statement of Fund Balance and Cash Status, Statement of Comparison of Budget and Actual Amounts, Statement of Financial Position and a summary of significant accounting policies and other explanatory information for the period ended 31st December 2022. The financial statements have been prepared in conformity with IPSAS Cash Basis financial Reporting framework of 2017 and the financial Procedure Manual of PFMU 2018. They reflect amounts that are based on cash basis accounting and Management's best judgment with appropriate consideration of materiality.

We confirm these financial statements agree with the books of accounts, which have been properly kept.

We accept responsibility for the integrity of these financial statements, the financial information they contain and their compliance with the Public Financial Management Act, of 2009.

 June 30, 2023

**Papin Daniels, Jr.**  
Director, Donor Finance Projects  
**PFMU, MFDP**

 6/30/23

**Rawlings Baco Kesselly**  
Project Coordinator-MRU-I  
**MoPW**



## GENERAL INFORMATION

### PROJECT MANAGEMENT TEAM

<b>Project Financial Management Unit:</b>	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
<b>Registered Office:</b>	Project Financial Management Unit (PFMU) Ministry of Finance Broad and Mechlin Street Liberia
<b>Project Implementation Unit:</b>	Rawlings Bacco Kessely Project Manager Mano River Union Road Development and Transport Facility Programme (MRU/RDTFP) Project Implementation Unit (PMU)
<b>Project Location:</b>	Ministry of Public Works Lynch Street Liberia
<b>Bankers:</b>	Liberia Bank for Development & Investment (LBDI) Monrovia





*Auditor General's Report ON THE FINANCIAL STATEMENT AUDIT OF THE  
AFDB - MANO RIVER UNION ROAD DEVELOPMENT AND TRANSPORT FACILITY PROGRAMME (MRU/RDTFP)  
FOR THE YEAR ENDED 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			Cumulative
		December 31, 2022	July 1, 2021 - December 31, 2021	June 2021	
<b>Receipt</b>					
AfDB Grant & Loan	4	441,361	2,953,155	6,024,258	78,275,946
<b>Total Receipt</b>		<b>441,361</b>	<b>2,953,155</b>	<b>6,024,258</b>	<b>78,275,946</b>
<b>Payment</b>					
Road Dev't & Mitigation of negative environmental impacts	5	46,478	3,018,573	5,193,590	71,730,488
Related Developments & Women's empowerment measures	6	52,553	-	573,966	3,667,562
Transport Facilitation	7	-	-	-	156,385
Institutional Support	8	206,339	41,650	146,301	2,379,444
Programme Management	9	-	-	13,060	35,460
<b>Total Payments</b>		<b>305,370</b>	<b>3,060,223</b>	<b>5,926,917</b>	<b>77,933,879</b>
Excess of receipts over payments (payments over receipts)		135,991	(107,068)	97,341	342,067
Fund Balance as at beginning		170,616	277,684	180,344	-
Cummulative fund balance		<b>306,607</b>	<b>170,616</b>	277,684	342,067



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

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	SPECIAL BUDGET YEAR		
	December 31, 2022	July 1, 2021 - December 31, 2021	June 2021
<i>In United States Dollars</i>			
<b>A Fund Balance</b>			
<b>Balance of Project Fund</b>	170,616	277,684	180,344
Add: Total Receipts during the period	441,361	2,953,155	6,024,258
Total Fund available for operations	611,977	3,230,839	6,204,601
Less: Total Payments during the period	305,370	3,060,223	5,926,917
<b>Balance of project fund at the end of the year</b>	306,607	170,616	277,684
<b>B Cash Status:</b>			
Cash at Bank	306,607	170,616	277,684
<b>Total Cash on hand and in bank</b>	306,607	170,616	277,684
<b>Difference between A and B</b>	-	-	-





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

14. Analysis of Variance

Activities Within Components	Project	Annual	Actual	Variance
	Allocation US\$	US\$	US\$	US\$
Road Dev't & Mitigation of negative environmental impacts	94,515,000	3,124,893	3,065,051	59,842
Related Developments & Women's empowerment measures	5,093,860	68,433	52,553	15,880
Transport Facilitation	240,000	-	-	-
Institutional Support	3,410,000	290,564	247,989	42,574
Programme Management	-	-	-	-
<b>Total</b>	<b>103,258,860</b>	<b>3,483,890</b>	<b>3,365,594</b>	<b>118,296</b>

**Variance Explanation**

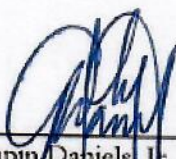
Variance is a result of contractors and supervision consultants not completing activities as planned during the period and also service providers fees were not settled during the period

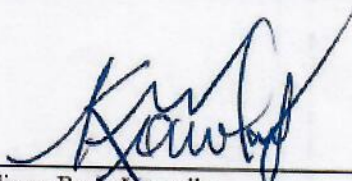


STATEMENT OF FINANCIAL POSITION  
 AS AT DECEMBER 31, 2022

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<i>In United States Dollars</i>	SPECIAL BUDGET YEAR		
	December 31, 2022	July 1, 2021 - December 31, 2021	June 2021
<b>Assets</b>			
Cash and cash equivalent	306,607	170,616	277,684
Total Assets	<u>306,607</u>	<u>170,616</u>	<u>277,684</u>
<b>Fund Balance</b>			
Grants	306,607	170,616	277,684
Accumulated Fund Balance	<u>306,607</u>	<u>170,616</u>	<u>277,684</u>

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

  
 Rawlings Baco Kesselly  
 Project Coordinator-FTHRP  
 MoPW





**NOTES TO FINANCIAL STATEMENTS**

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**1. Background and Information of the Project**

With support from the African Development Bank (AfDB); the MRU/RDTFP program is to boost the post-conflict economic recovery of the Mano River Union area by improving road infrastructure and promoting intra-community trade. The program seeks to improve transport conditions on the roads concerned in order to reduce transport costs, facilitate the free movement of persons and goods between the three (3) countries and improve the living conditions of program area communities. The program concerns the paving of 276.35 km of road network within the MRU, in the area bounded by forested Guinea ( Eastern Guinea); Danane, Bolequin, Toulepleu and Tabou Districts in Cote D'Ivoire (West and South West of Cote D'Ivoire); and the counties of Maryland and River Gee in Liberia. The MRU/RDF project was approved by the African Development Bank on **February 6, 2015** with a grant amount of **USD 103.2586 Million**. The aim of the project is

- i. Paving Karloken- Fish Town (80Km), Harper Junction – Cavally (16km) roads in Liberia including ESMP implementation, community awareness-raising on road safety, public health and safety awareness services and environmental protection, implementation of PAPs and work control supervision;
- ii. Construction of 2 markets and training of women traders in accounting and control and supervision of related development works and women's empowerment
- iii. Construction and equipment of PCJs including weighing/toll stations between Cote D'Ivoire and Liberia border on the Tabou-Harper highway, works control and surveillance, awareness-raising of road users and border control officers on inter-state road transport facilitation measures.
- iv. Study on the preparation of the National Policy for Road Safety and Strategic Environmental Assessment of the Transport Sector and support to ensure the employment of 5 young graduates in the transport sector
- v. Socio-economic impact monitoring/evaluation of the programme in the 3 countries, financial and accounting audit of the programme in the 3 countries, material and logistical support to the programme executing agency in Liberia, technical and security audit of the program, regional monitoring indicators and material and logistical support to MRU

**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
Road Dev't & Mitigation of negative environmental impacts	94,515,000	100
Related Developments & Women's empowerment measures	5,093,860	100
Transport Facilitation	240,000	100
Institutional Support	3,410,000	100
<b>Total</b>	<b>103,258,860</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>
AfDB	100
<b>Total</b>	<u>100</u> =====

**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 Agreement as required by the African Development Bank 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 MRU/RDTF project is recognized and reported in the Statement of Receipt and Payment as income when received and held in a bank account called Special income account for disbursement purposes. All payments for the MRU/RDTF project and activities are made from the special 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 African Development Bank.

**Tax**

The project is 100 percent exclusive 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.





**Auditor General's Report ON THE FINANCIAL STATEMENT AUDIT OF THE  
AFDB - MANO RIVER UNION ROAD DEVELOPMENT AND TRANSPORT FACILITY PROGRAMME (MRU/RDTPF)  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

**SPECIAL  
BUDGET  
YEAR**

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<i>In United States Dollars</i>	July 1, 2021 -			Cumulative
	December 31, 2022	December 31, 2021	June 2021	
<b>4 Grant Receipt</b>				
ADF -Loan - 2100150032544	395,084	-	256,771	2,899,259
ADF _Direct Payment	-	43,024	569,386	33,431,264
TSF _Direct Payment	46,278	2,910,131	5,198,101	22,107,731
TSF2 _Direct Payment	-	-	-	19,837,692
	<b>441,361</b>	<b>2,953,155</b>	<b>6,024,258</b>	<b>78,275,946</b>
<b>Road Dev't &amp; Mitigation of negative environmental 5 impacts</b>				
Civil Works (80km-Karloken to Fist Town) +ESMP	46,478	108,442	5,193,590	52,029,710
Bridge Construction + ESMP	-	2,910,131	-	19,416,851
Construction of Road Site Market (2No.)	-	-	-	283,927
	<b>46,478</b>	<b>3,018,573</b>	<b>5,193,590</b>	<b>71,730,488</b>
<b>Related Developments &amp; Women's empowerment 6 measures</b>				
Construction Supervision	-	-	495,746	3,041,104
Monitoring & Evaluation	6,275	-	-	252,120
Financial & Technical Audit	-	-	21,530	48,530
Technical/Road Safety Audit	-	-	-	94,420
HIV/AIDS, Malaria, Ebola and Gender Sensitization	46,278	-	56,690	231,389
	<b>52,553</b>	<b>-</b>	<b>573,966</b>	<b>3,667,562</b>
<b>7 Transport Facilitation</b>				
Cross Country Vehicles	-	-	-	142,500
Office Equipment & Accessories (IT & others)	-	-	-	13,885
	<b>-</b>	<b>-</b>	<b>-</b>	<b>156,385</b>
<b>8 Institutional Support</b>				
Road Improvement Activities	145,224	770	83,105	387,895
Project Coordination Support	60,765	40,810	67,483	679,579
	<b>205,989</b>	<b>41,580</b>	<b>150,588</b>	<b>1,067,473</b>
Compensation of PAPS	350	70	(4,287)	1,311,971
	<b>206,339</b>	<b>41,650</b>	<b>146,301</b>	<b>2,379,444</b>
<b>9 Programme Management</b>				
Programme Management	-	-	13,060	35,460
	<b>-</b>	<b>-</b>	<b>13,060</b>	<b>35,460</b>



NOTES TO THE FINANCIAL STATEMENTS *(continued)*

SPECIAL  
BUDGET  
YEAR

9

<i>In United States Dollars</i>	December 31, 2022	July 1, 2021 - December 31, 2021	June 2021	Cumulative
<b>10 Cash receipts through grant and other Sources</b>				
IDA grant	441,361	2,953,155	6,024,258	78,275,946
<b>11 Cash paid</b>				
Road Dev't & Mitigation of negative environmental impacts	46,478	3,018,573	5,193,590	71,730,488
Related Developments & Women's empowerment measures	52,553	-	573,966	3,667,562
Transport Facilitation	-	-	-	156,385
Institutional Support	206,339	41,650	146,301	2,379,444
Programme Management	-	-	13,060	35,460
<b>Total Payments</b>	<b>305,370</b>	<b>3,060,223</b>	<b>5,926,917</b>	<b>77,969,339</b>





**PROJECT DESIGNATED ACCOUNT STATEMENT**

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**Account Number:** 001USD21320509423/001USD21320509424/001USD21320509426  
**Account Type:** Current Account  
**Depository Bank (s):** LBDI  
**Address:** 9th Street, Sinkor  
 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	441,361	2,953,155	6,024,258
<b>Total grant income reported</b>	<b>441,361</b>	<b>2,953,155</b>	<b>6,024,258</b>
Amount spent	305,370	3,060,223	5,926,917
Balance as at beginning	170,616	277,684	180,344
<b>Balance as at June 30, 2018</b>	<b>306,607</b>	<b>170,616</b>	<b>277,684</b>
<b>Closing Balance Consist of:</b>			
Pety cash-PIU	1,050	1,050	1,050
Pety cash-NRF	808	808	808
Pety cash-Road Sector	1,600	1,600	1,600
ADF Account No. 2100150032544	(1,307)	6,208	46,738
TSF Account No. 5900150000351	10,601	10,986	11,196
Road Sector. 5900150000351	293,856	149,964	216,292
PAP -IB- 1219440978600102	-	-	-
	<b>306,607</b>	<b>170,616</b>	<b>277,684</b>

