

Management Letter



On The Financial Statement Audit of the Liberia Technical and Capacity Building Assistance Project (TCBAP) (Closed-Out Audit)

For the Period Ended December 31, 2022



Promoting Accountability of Public Resources

Monrovia, Liberia
June 2023

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

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Acronyms/Abbreviations/Symbols

Acronyms/Abbreviations/Symbol	Meaning
ACCA	Association of Chartered Certified Accountants
A/C#	Account Number
AfDB	African Development Bank
AG	Auditor General
APA	Assistant Project Accountant
BEP	Bid Evaluation Penal
CBL	Central Bank of Liberia
CFC	Certified Financial Consultant
CFIP	Certified Forensic Investigation Professional
CPA	Certified Public Accountant
GAC	General Auditing Commission
GoL	Government of Liberia
IDA	International Development Association
IPSAS	International Public Sector Accounting Standards
M & E	Monitoring and Evaluation
MSC	Ministerial Steering Committee
PFM Act	Public Finance Management Act
PFMU	Project Financial Management Unit
PMU	Project Management Unit
PPC Act	Public Procurement & Concessions Act
PPCC	Public Procurement and Concessions Commission
PV	Payment Voucher
SPA	Senior Project Accountant
TCBAP	Technical Capacity Building and Assistance Project
US\$	United States Dollar

June 30, 2023

Mr. Vee Musa Fofana

Manager

Project Management Unit (PMU)

Ministry of Finance and Development Planning (MFDP)

Monrovia, Liberia

Dear Mr. Fofana:

Re: Management Letter on the Financial Statement Audit of the Liberia Technical and Capacity Building Assistance Project (TCBAP) for the fiscal period July 1, 2021 to December 31, 2022.

The audit of the Financial Statements of the Liberia Technical Capacity Building and Assistance Project (TCBAP) for the period July 1, 2021 to December 31, 2022 was commissioned by the Auditor-General (AG) under the AG's mandate as provided for in Section 2.1.3 of the General Auditing Commission (GAC) Act of 2014 as well as the Audit Engagement Terms of Reference (ToR).

Introduction

The audit of the TCBAP for the fiscal period ended December 31, 2022 has been completed and the purpose of this letter is to bring to your attention the findings that were revealed during the audit.

Audit Scope and Methodology

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs) as well as the Engagement (Audit) Terms of Reference. These standards require that the audit is planned and performed so as to obtain reasonable assurance that, in all material respects, fair presentation is achieved in the annual Financial Statements.

An audit includes:

- Examination on a test basis of evidence supporting the amounts and disclosures in the financial statements;
- Assessment of the accounting principles used and significant estimates made by management; and
- Evaluation of the overall financial statement presentation.

The audit also includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations which came to our attention and are applicable to financial matters.

The matters mentioned in this letter are therefore those that were identified through tests considered necessary for the purpose of the audit and it is possible that there might be other matters and/or weaknesses that were not identified.

*Management Letter On the Financial Statement Audit of the
Liberia Technical and Capacity Building Assistance Project (TCBAP)
For the Period Ended December 31, 2022*

The financial statements, maintenance of effective control measures and compliance with laws and regulations are the responsibility of the TCBAP Management. Our responsibility is to express our opinion on these financial statements.

The audit findings which were identified during the course of the audit are included below.

Thank you as we strive to promote accountability, transparency and good governance across the Government of Liberia.

APPRECIATION

We would like to express our appreciation for the courtesy extended and assistance rendered by the staff of the project during the audit.

Sincerely,

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



**Monrovia, Liberia
June 2023**

1 DETAILED FINDINGS AND RECOMMENDATIONS

1.1 Financial Statement Issues

1.1.1 Prior Year Financial Statement Figure Not Reconciled

Observation

- 1.1.1.1 Section 1.3.27 of IPSAS Cash Basis of Accounting requires that "financial statements shall present information that is: (a) Understandable; (b) Relevant to the decision-making and accountability needs of users; (c) A faithful representation of the cash receipts, cash payments and cash balances of the entity and the other information disclosed in the financial statements in that it is: (i) Complete; (ii) Neutral and (iii) Free from material error;"
- 1.1.1.2 During the audit, we observed that the total final amounts per prior year audited statement and corresponding amounts reported in current year financial statements revealed a series of variances. **See table 1 below for details.**

Table 1: Prior Year Financial Statement Figure Analysis

Components	Prior Year		
	Final amounts per prior year Audited Statement	Corresponding amounts per current year financial statements	Variance
Strengthening Macroeconomic Plan			
Undertake macroeconomic planning and management training for Senior Management	15,305.00	0.00	15,305.00
Development of Special Economic/Agro Processing Zones			
Conduct feasibility studies on the creation of Special Economic/Agro Processing Zones- including the scope, public and private participation, land use, benefits, complementary policies and institutional framework	39,661.00	213,161.00	-173,500.00
Other			
Operations & Project Audit	422,158.00	184,775.00	237,383.00

Risk

- 1.1.1.3 The completeness and accuracy of the financial statements may not be assured; therefore, the financial statement may be misstated.
- 1.1.1.4 A misstated financial statement may facilitate fraudulent financial reporting and mislead the users of the financial statement.

Recommendation

- 1.1.1.5 Management should rectify the significant variances observed between the prior year audited statement and corresponding amounts reported in current year financial statements.

Management's Response

- 1.1.1.6 *This was earlier communicated and was subsequently resolved in the revised financial statement.*

Auditor General's Position

- 1.1.1.7 We acknowledge Management's acceptance of our findings, recommendation and the subsequent adjustment of the financial statements.

1.1.2 Signing Date of The Financial Statements Not Specified

Observation

- 1.1.2.1 Paragraph 1.4.5. of the IPSAS Cash basis reporting framework states "An entity shall disclose the date when the financial statements were authorized for issue and who gave the authorization. If another body has the power to amend the financial statements after issuance, the entity shall disclose that fact."

- 1.1.2.2 Also, regulation I.11. of the PFM Act of 2009 -Annual Government Agency Accounts, states "(1) There shall be prepared by the head of government agency or an administrator or head of any Government agency and transmitted to the, the Minister and the Comptroller-General in respect of the year, accounts covering all Public Funds under his control. The accounts shall be submitted within a period of two months after the end of each fiscal year, or such other period as the Legislature may by resolution appoint, and shall include statements and documents to be specified in the International Public Sector Accounting Standards as adopted by the Government of Liberia."

- 1.1.2.3 During the audit, we observed that the financial statements signed by the Director of Donor Financed Projects and the Acting Project Manager did not specify the actual date the financial statements were prepared and signed.

Risk

- 1.1.2.4 It is unlikely that financial statements users may want to place reliance on the financial Statements if the issuance date is not specified to establish the cut-off period.

Recommendation

- 1.1.2.5 The date of preparation of the financial statements should be provided adjacent to the signatures of the authorizers.

Management's Response

- 1.1.2.6 *This was earlier communicated and was subsequently resolved in the revised financial statement. (Please see Exhibit I).*

Auditor General's Position

1.1.2.7 We acknowledge Management's acceptance of our findings, recommendation and the subsequent adjustment of the financial statements.

1.1.3 No Explanation for Material Variance

Observation

1.1.3.1 Part 1.7.8 of the Revised Cash Basis IPSAS (November 2017) provides that an entity that makes publicly available its approved budget(s) shall present a comparison of the budget amount for which it is held publicly accountable and actual amounts either as a separate additional financial statement of an additional budget columns in the statement of cash receipts and payments. The comparison of budget and actual amount shall present separately for each level of legislative oversight: By way of note disclosure, an explanation of material differences between the budget for which the entity is held publicly accountable and actual amounts, unless such explanation is included in other public documents issued in conjunction with the financial statements, and cross reference to those documents is made in the notes.

1.1.3.2 During the audit, we observe that the Project Financial Statements include a Statement of Comparison of Budget and Actual amount which shows material variances. However, the statement did not include notes for the explanation of the material variances.

1.1.3.3 Also, a refund of US\$9,922 on surplus payment to Mahindra Consulting Engineers Ltd was understated as US\$78 in the variance column of the statement of comparison of budget and actual amounts. **See table 2 below for details.**

Table 2: Material Variances Without Explanation

Activities Within Components	Project Allocation \$	Annual \$	Actual Expenditure \$	Variance \$
Support For The Preparation Of The National Development Strategy (PAPD)	539,000.00	6,400.00	6,186.00	214.00
Strengthening Macroeconomic Planning & Analyses	525,000.00	15,500.00	13,700.00	1,800.00
Development Of Special Economic/Agro Processing Zones	252,000.00	10,000.00	(9,922.00)	19,922.00
Others	84,000.00	464,100.00	419,079.00	45,021.00
Grand Total	1,400,000.00	496,000.00	429,043.00	66,957.00

Risk

1.1.3.4 Failure to include notes or explanation for material variances between budgetary and actual amounts in the financial statements may deny users of the financial statements information needed to make informed decisions.

1.1.3.5 Fair presentation and full disclosure may be impaired.

Recommendation

1.1.3.6 Management should ensure that full and adequate disclosures are made for material variance(s) between the budget and actual amounts consistent with Part 1.7.8 of the Revised Cash Basis IPSAS (November 2017).

Management's Response

1.1.3.7 *This was earlier communicated and was also resolved in the revised financial statement. Please see Exhibit I).*

Auditor General's Position

1.1.3.8 We acknowledge Management's acceptance of our findings, recommendation and the subsequent adjustment of the financial statements.

1.1.3.9 However, the issue raised regarding the refund of US\$9,922 on surplus payment to Mahindra Consulting Engineers Ltd which was understated as US\$78 in the variance column of the statement of comparison of budget and actual amounts was not corrected. Therefore, we maintain our finding and recommendations.

1.1.4 Non-remittance of Withholding Taxes

Observation

1.1.4.1 Section 905 (J) of the Revenue Code of Liberia Act of 2000 as amended in 2011 stipulates that "within 10 days after the last day of the month, a payer described in (a) is required to remit to the tax authorities the total amount required to be withheld during the month".

1.1.4.2 Section 905(m) also states that" a person who has a withholding obligation under this section and fails to withhold and remit the amount of tax required to be withheld is subject to section 52 penalty for late payment and failure to pay".

1.1.4.3 During the audit, we observed that the amount of US\$110 withheld as tax on the payment to a consultant was not remitted to the Liberia Revenue Authority (LRA). **See table 3 below for details.**

1.1.4.4 Also, we observed that the total of US\$1,753.83 withheld as taxes on payments to businesses and consultants were later reversed by Management.

1.1.4.5 Additionally, we observed that Management disbursed a total amount of US\$ 284,413.39 to several vendors for goods and services procured without evidence that withholding taxes were deducted and subsequently remitted to the LRA. **See annexure 1 (a) and (b) for details.**

Table 3: Non-remittance of Withholding Tax

Transaction Date	Voucher Number	Description	Amount US\$
12/28/2021	TCB/051	ISSER TAX	110.00

Risk

- 1.1.4.6 Failure to withhold and remit taxes may deny GoL of much needed tax revenue.
- 1.1.4.7 Management may be in noncompliance with Section (905) J. of the Revenue Code of Liberia 2000, which may result in to penalties for late payment and failure to pay.

Recommendation

- 1.1.4.8 Management should facilitate full remittance of withholding taxes to the LRA in keeping with Section 905 (J) of the Revenue Code of Liberia Act of 2000.
- 1.1.4.9 Evidence of tax withholding and remittances should be adequately documented and filed to facilitate future review.

Management's Response

- 1.1.4.10 *The Liberia Technical and Capacity Building Assistance Project (TCBAP) which is an African Development Bank (AfDB) project is Tax Exempt.*
- 1.1.4.11 *Kindly find extracts of the Revised "ADB AND ADF GENERAL CONDITIONS APPLICABLE TO LOAN AND GUARANTEE AGREEMENTS AND OF THE ADF GENERAL CONDITIONS APPLICABLE TO PROTOCOL OF AGREEMENTS FOR GRANTS" below:*
- 1.1.4.12 *SECTION 8.01 Taxes (Page 27-28)*
- 1.1.4.13 *(a) The principal of, and service charge, Special Commitment charge, commitment charge and other charges on, the Loan shall be paid without deduction for, and free from, any taxes levied by, or in the territory of, the Member State which is the Borrower or the Guarantor.*
- 1.1.4.14 *(b) The Loan Agreement and the Guarantee Agreement, and any other agreement to which these General Conditions apply, shall be free from any taxes levied by, or in the territory of, the Member State which is the Borrower or the Guarantor on or in connection with, the execution, delivery or registration thereof.*
- 1.1.4.15 *(c) The immunities, exemptions and privileges from taxation referred to in this Section 8.01 and in Article 49 of the Fund Agreement shall ensure to and be for the sole benefit of the Fund and shall therefore not be the basis for a claim to or request for similar entitlement by a consultant, contractor or other third party engaged by the Borrower or Guarantor in connection with the Project.*
- 1.1.4.16 *Also, Section 11.02 (Pages 27-28). Section 11.02 Taxes:*
(a) The principal, service charge and other charges on the Loan shall be paid without

any deduction and shall be exempt from any taxes imposed under the legislation of the Borrower or the Guarantor in its territory. (b) The Loan Agreement and the Guarantee Agreement shall be exempt from any taxes imposed under the legislation of the Borrower or the Guarantor in its territory in connection with the signature, issue, delivery or registration of such documents. (Please see Exhibit II).

Auditor General's Position

1.1.4.17 According to ARTICLE VIII, Section 8.01(C) of the General Conditions Applicable to the African Development Bank Loan Agreements and Guarantee Agreements states "The immunities, exemptions and privileges from taxation referred to in this Section 8.01 and in Article 57 of the Bank Agreement shall ensure to and be for the sole benefit of the Bank and shall therefore not be the basis for a claim to or request for similar entitlement by a consultant, contractor or other third party engaged by the Borrower or Guarantor in connection with the Project". Therefore, we maintain our findings and recommendations.

1.1.5 Transactions Without Supporting Documentation

Observation

1.1.5.1 Section 9.1 of the World Bank procurement regulations states that "The Borrower shall retain all documentation, and shall furnish such documentation to the Bank upon request, with respect to each contract subject to post review, according to the requirements of the Legal Agreement. This documentation shall include, but is not limited to: a. complaints, the signed original of the contract and all subsequent amendments or addenda, b. the Bids/Proposals evaluation report, and the recommendation for award; and c. the payment invoices or certificates, as well as the certificates for inspection, delivery, completion, and acceptance of Goods, Works, and Non-Consulting Services, for examination by the Bank or by its consultants/auditors".

1.1.5.2 During the audit, we observed that several payments amounting to US\$ 11,357.54 were made without supporting documents.

1.1.5.3 Additionally, Management made payments amounting to US\$ 5,283.2 without adequate supporting documentation. **See tables 3 (a) and (b) below for details.**

Table 4 (a): Payments Without Supporting Documents

Transaction Date	Voucher Number	Description	Amount US\$
10/26/2021	2022/026	Crown Agents	5,760.24
12/22/2021	2022/037	Y.Freman:Trans.reimb LIPA	2,790.00
6/30/2022	2022/099	Super Petroleum	2,670.30
1/31/2022	TCB/054	RECEIPT OF FUNDS-IDA	27.00
Total			11,247.54

Table 4 (b): Transaction Without Adequate Supporting Documents

Transaction Date	Voucher Number	Description	Check Number	Amount US\$	Comment
12/22/2021	2022/041	Super Petroleum		1,701.00	No Withholding and Delivery note
2/9/2022	2022/052	Super Petroleum	397	1,596.00	No withholding tax, no delivery note
1/17/2022	2022/045	S&J Enterprise, Inc.	208	1,325.00	No withholding Tax. No evidence of delivery note.
12/7/2021	2022/034	Saksouk Shopping Center	383	661.20	No withholding Taxes, No name of the person that received the goods.
Total				5,283.20	

Risk

- 1.1.5.4 In the absence of adequate supporting documents, the validity, occurrence and accuracy of payments cannot be assured. This may lead to misappropriation of the project's funds.
- 1.1.5.5 The absence of adequate supporting documentation for transactions may also lead to fraudulent financial management practices, through the processing and disbursement of illegitimate transactions.
- 1.1.5.6 Management may override the procurement processes by completing disbursement without utilizing the required procurement processes.

Recommendation

- 1.1.5.7 Management should ensure all transactions are supported by the requisite supporting documents consistent with the financial management regulations.
- 1.1.5.8 Evidence of all relevant supporting documents should be adequately documented and filed to facilitate future review.

Management's Response

- 1.1.5.9 *All payments were processed with the requisite supporting document. Probably the auditor did not see the relevant supporting document. The auditee believes it was either as a result of omission during the submission or an oversight by the auditor. (See Table Below for Details).*

Payments without Supporting Documents

Transaction Date	PV Number	Description	Base Amount	Auditee's Comment
10/26/2021	2022/026	Crowd Agents	5,760.24	Payment Voucher Attached. (Please see Exhibit IIIA)
12/22/2021	2022/037	Yasmin Freeman	2,790.00	Payment Voucher Attached. (Please see Exhibit IIIB)

Transaction Date	PV Number	Description	Base Amount	Auditee's Comment
6/30/2022	2022/099	Super Petroleum	2,670.30	Payment Voucher Attached. (Please see Exhibit IIIC)
1/31/2022	TCB/054	Receipt of Funds-IDA	27.00	Journal Voucher Attached (Please see Exhibit IIID)
			11,247.54	

Transaction without Adequate Supporting Documents

Transaction Date	PV Number	Description	Base Amount	General Comments	Auditee's Comment
12/22/2021	2022/041	Super Petroleum	1,701.00	No withholding and Delivery Note	Kindly reference Exhibit II for tax exemption. Delivery Note Attached. (Please see Exhibit IIIE)
2/9/2022	2022/052	Super Petroleum	1,596.00	No withholding tax, No Delivery Note	Kindly reference Exhibit II for tax exemption. Delivery Note Attached. (Please see Exhibit IIIF)
1/17/2022	2022/045	S&J Enterprise, Inc	1,325.00	No withholding tax, No Evidence of Delivery Note	Kindly reference Exhibit II for tax exemption. S&J Enterprise, Inc repaired office equipment of the project; therefore, we do not need a delivery note, but rather a job completion certificate. Kindly reference Exhibit IIIG for Job Completion Certificate.
12/7/2021	2022/034	Saksouk Shopping Center	661.20	No withholding tax, No name of the person that received the goods.	Kindly reference Exhibit II for tax exemption. Delivery Note Attached. (Please see Exhibit IIIH).
			5,283.00		

Auditor General's Position

1.1.5.10 We reviewed the documents subsequently submitted by Management, after our audit execution. All the supporting documents were provided.

1.1.5.11 However, we observed that withholding taxes were not withheld and subsequently remitted on the goods and services related transactions. According to ARTICLE VIII, Section 8.01(C) of the General Conditions Applicable to the African Development Bank Loan Agreements and Guarantee Agreements states "The immunities, exemptions and privileges from taxation referred to in this Section 8.01 and in Article 57 of the Bank Agreement shall

ensure to and be for the sole benefit of the Bank and shall therefore not be the basis for a claim to or request for similar entitlement by a consultant, contractor or other third party engaged by the Borrower or Guarantor in connection with the Project". Therefore, we maintain our findings and recommendations.

1.2 Compliance Issues

1.2.1 Underpayment of DSA for Foreign Travel

Observation

1.2.1.1 Section 7.13.3 of the PFMU Revised Financial Procedure Manual of 2020 requires that "Within 15 days of return from travel, or from date of completion of the function/activity for which the advance was granted, whichever is earlier, the Project/Program staff shall complete a reconciliation statement against invoices/receipts, through an Expense Report Form (Appendix 14). This should list details of expenditure incurred and should be forwarded to the Assistant Project Accountant. Original receipts/invoices must be submitted."

1.2.1.2 During the audit, we observed that Management made underpayments of US\$ 56,016 instead of paying a total of US\$67,760 resulting to a total variance of US\$11,744 as DSA for foreign travels in favor of some GoL staff. Management did not use the approved rates as per GoL Travel Ordinance as required by PFMU Financial Procedure Manual. **See table 5 below for details.**

Table 5: Underpaid DSA for Foreign Travel

Transaction Date	Voucher Number	Description	Check Number	Amount US\$	GAC Recalculation Per GoL Rate in US\$ B	Variance in US\$ C=B-A
10/8/2021	2022/018	S. Rosina Barrie DSA	375	4,105.00	5,121.00	1,016.00
10/8/2021	2022/010	Zayzay F. Sillah DSA	369	2,698.00	3,466.00	768.00
10/8/2021	2022/011	Evelyne L. Y. Fallah DSA	368	2,698.00	3,466.00	768.00
10/8/2021	2022/012	Sam Kezekai DSA	366	2,698.00	3,466.00	768.00
10/8/2021	2022/013	Amadu V. S. Kpahn DSa	365	2,698.00	3,466.00	768.00
10/8/2021	2022/014	C. Gyude Bedell DSa	367	2,698.00	3,466.00	768.00
10/8/2021	2022/015	Prince Akoi Thompson DSa	364	2,698.00	3,466.00	768.00
10/8/2021	2022/017	Nathan Lloyd DSa	297	2,698.00	3,466.00	768.00
10/8/2021	2022/020	Kpana Belee Kpehe DSA	372	4,105.00	5,321.00	1,216.00

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Transaction Date	Voucher Number	Description	Check Number	Amount US\$	GAC Recalculation Per GoL Rate in US\$ B	Variance in US\$ C=B-A
10/8/2021	2022/021	Robertha Daikai James DSA	373	4,105.00	5,321.00	1,216.00
10/8/2021	2022/022	Jim-Ngormoh Amara DSA	374	4,105.00	5,321.00	1,216.00
10/8/2021	2022/019	Henry D. Z. Yanquoi DSA	362	2,698.00	3,466.00	768.00
6/15/2022	2022/087	Augustus J. Flomo	227	1,614.00	1,632.00	18.00
10/8/2021	2022/016	Vamuyan A. Sesay DSa	363	2,698.00	3,466.00	768.00
6/13/2022	2022/083	Vamuyan A. Sesay DSA	222	1,370.00	1,385.00	15.00
6/13/2022	2022/082	Benedict Y. Harleyson DSA	213	1,370.00	1,385.00	15.00
6/13/2022	2022/081	John M. Collins DSA	214	1,370.00	1,385.00	15.00
6/13/2022	2022/080	Boima H. M. Sonii DSA	223	1,370.00	1,385.00	15.00
6/13/2022	2022/079	N. C-Jay Wratto DSA	221	1,370.00	1,385.00	15.00
6/13/2022	2022/078	J. S. N. Kambo DSA	218	1,370.00	1,385.00	15.00
6/13/2022	2022/077	Roland Nyemah Saydee	217	1,370.00	1,385.00	15.00
6/13/2022	2022/076	Alex Saye Wuo	216	1,370.00	1,385.00	15.00
6/13/2022	2022/075	Jame D. N. Kulah Sao	215	1,370.00	1,385.00	15.00
6/22/2022	2022/091	C.Weah:fees fr study tour	88	1,370.00	1,385.00	15.00
Total				56,016.00	67,760.00	11,744.00

Risk

- 1.2.1.3 Management may be noncompliant with GoL Travel Ordinance as prescribed in section 7.13.2.
- 1.2.1.4 Failure of Management to disburse the required daily subsistence allowance to project staffs may cause economic constraints during travels.

Recommendation

- 1.2.1.5 Management should provide substantive justification for payment of DSA below GoL Travel Ordinance.

- 1.2.1.6 Managements should apply the standardized rate for computation of travel allowance in accordance with the rates indicated in annexure III of GoL Travel Ordinance.

Management's Response

- 1.2.1.7 According to Section 6 of the Project Implementation Manual (PIM), all DSA should be paid comparing both GOL and World Bank Rates and use the lower of both rates therefore; DSA is not calculated on a particular rate but based on the lower rate as stated in the PIM. (Please see Exhibit IV).

Auditor General's Position

- 1.2.1.8 Section 7.13.2 of PFMU Revised Financial Procedure Manual requires that entitlements for travel of Project / Program staff shall be regulated by the Government of Liberia – Domestic and Foreign Travel Ordinances respectively. Therefore, we maintain our findings and recommendation.

1.2.2 Status of Implementation of Prior Year's Audit Recommendations

- 1.2.2.1 Management did not provide evidence of implementing prior year audit recommendations. **See table 6 below for details.**

Table 6: Prior Year Audit Issues Status

No.	Findings	Observations	Recommendation/AG Position	Status of implementation	Management's Response
1	1.1.2 Non-Remittance of Withholding Taxes	1.1.2.4 Also, it was observed during the audit that the PFMU Management disbursed a total amount of US\$335,008.38 to several vendors for goods and services procured without evidence that withholding taxes were deducted and subsequently remitted to the Liberia Revenue Authority (LRA).	1.1.1.15 According to ARTICLE VIII, Section 8.01(C) of the General Conditions Applicable to the African Development Bank Loan Agreements and Guarantee Agreements states "The immunities, exemptions and privileges from taxation referred to in this Section 8.01 and in Article 57 of the Bank Agreement shall ensure to and be for the sole benefit of the Bank and shall therefore not be the basis for a claim to or request for similar entitlement by a consultant, contractor or other third party	No evidence of implementation.	<i>We maintain our comments that The Liberia Technical and Capacity Building Assistance Project (TCBAP) which is an African Development Bank (AfDB) project is Tax Exempt. Kindly reference Article VIII, Section 8.01 (C) and Section 11.02 of the General Conditions Applicable to the African Development</i>

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No.	Findings	Observations	Recommendation/AG Position	Status of implementation	Management's Response
			engaged by the Borrower or Guarantor in connection with the Project". therefore, we maintain our finding and recommendation.		<i>Bank Loan Agreement.</i>
2	1.1.3 Transactions Without Supporting Documentation	1.1.4.3 During the audit, the PFMU Management made payments amounting to US\$5,725.45 without adequate supporting documentation. Additionally, several payments amounting to US\$28,459.27 were made without supporting documents.	1.1.3.9 We reviewed the documents submitted by Management. Therefore, we have adjusted the transactions without supporting documents to (US\$34,184.72 – US\$5,894.07) US\$28,290.65 to be accounted for by Management. We therefore maintain our recommendation. 1.1.3.10 The "erroneous debit" of the project's bank account recognized on the bank reconciliation statement and value at US\$ 24,785.70 must be followed up by Management.	No evidence of implementation.	<i>All payments were done with the requisite supporting document, in the event where the auditor did not see a supporting document; it was either as a result of omission during the submission or an oversight by the auditor.</i>
3	1.2.1 Procurement Irregularity	1.2.2. It was observed during the conduct of the audit that payment of US\$3,630 was disbursed for the purchase of fuel and gasoline without adherence to the required procurement standard. Management obtained only one quotation	1.2.3.9 The Project Management's response did not adequately address the audit findings. Therefore, we maintain our findings and recommendation.	No evidence of implementation.	<i>PFMU maintains its position that fuel and gasoline prices are fixed by the Ministry of Commerce which does a circular price for the market; therefore, a competitive process is not required.</i>

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No.	Findings	Observations	Recommendation/AG Position	Status of implementation	Management's Response
		for the transaction.			
4	1.2.2 Non-Retirement of Foreign Travel	1.2.3.2 It was observed during the audit that a total amount of \$6,027 was paid as DSA to project staffs for foreign travel without evidence of retirement.	1.2.2.7 We reviewed the documents submitted by Management. Therefore, we have adjusted the transactions without supporting documents to (US\$6,027 – \$US5,227) US\$800 to be accounted for by Management. We therefore maintain our recommendation.	No evidence of implementation.	<i>Foreign travels of US\$800 have been fully liquidated.</i>



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Annexure 1 (A): Unremitted Withholding Taxes Reversed

Transaction Date	Voucher Number	Description	Amount US\$
1/31/2022	TCB/053	unpaid tax reversal	(27.93)
1/31/2022	TCB/053	unpaid tax reversal	(29.50)
1/31/2022	TCB/053	Reversal of Unpaid tax	(63.00)
1/31/2022	TCB/053	Reversal of unpaid TAX	(183.20)
1/31/2022	TCB/053	Reversal of Unpaid tax	(199.20)
1/31/2022	TCB/053	E. Gboe unpaid tax revers	(350.00)
1/31/2022	TCB/053	E. Gboe unpaid tax revers	(350.00)
1/31/2022	TCB/053	Reversal of unpaid TAX	(551.00)
Total			(1,753.83)

Annexure 1 (b): Payments without withholding taxes

Transaction Date	Voucher Number	Description	Check Number	Amount US\$
10/6/2021	2022/009	United Office Supplies	205	34,950.00
6/15/2022	2022/090	B. Olobo 35% consultancy	Transfer	26,328.20
10/22/2021	2022/024	Expert Travel Services	376	22,685.00
11/26/2021	2022/033	Source IT-Liberia	58	19,720.00
5/13/2022	2022/056	Techsolve Global, Inc	64	19,500.00
11/3/2021	2022/029	Lion Stationery Store	379	18,250.00
11/2/2021	2022/028	B. Olobo 25% Consul Fees	Transfer	16,250.00
6/15/2022	2022/089	Expert Travel Services, I	228	12,600.00
6/28/2022	2022/097	refurb of PMUoffice	235	9,979.99
11/3/2021	2022/030	United Office Supplies &	380	9,970.00
1/25/2022	2022/047	Silver Spoon Group of Com	392	8,820.00
8/3/2021	2022/004	10% upon prep of report	Transfer	6,500.00
7/14/2021	2022/002	M. D. Group of Companies	204	6,173.00
5/19/2022	2022/058	Bella Casa Hotel & Suites	211	4,880.00



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Transaction Date	Voucher Number	Description	Check Number	Amount US\$
6/27/2022	2022/096	Okay Communication Inc.	233	4,800.00
6/6/2022	2022/067	Voice of Liberia, Inc.	74	4,500.00
12/22/2021	2022/039	David S. Swen Training Fe	387	4,435.00
12/22/2021	2022/036	James Zangar Training Fee	206	4,435.00
5/19/2022	2022/057	Super Petroleum	210	4,200.00
7/29/2021	2022/003	E. Diabolo Sal July 2021	Transfer	3,300.00
9/1/2021	2022/005	E. Diabolo Sal. Aug. 2021	200	3,300.00
6/1/2022	2022/065	Corina Hotel & Reality Co	71	3,072.50
6/30/2022	2022/102	Korlu Image Printing Cent	90	2,689.00
6/7/2022	2022/070	Auto Pro Service Garage	76	2,616.25
6/30/2022	2022/101	Source IT-Liberia	91	2,600.00
6/7/2022	2022/071	Auto Pro Service Garage	75	2,524.25
1/17/2022	2022/044	A-One Stationery Store	207	2,340.00
6/30/2022	2022/105	Corina Hotel & Reality co	93	2,130.00
5/20/2022	2022/059	Saksouk Shopping Center	Transfer	2,000.00
6/15/2022	2022/086	Destiny Travel Services	226	1,670.00
9/22/2021	2022/006	E. Diabolo Sal Set. 2021	359	1,650.00
10/29/2021	2022/027	Expert Travel Services	378	1,587.00
6/27/2022	2022/095	Destiny Travel Services	232	1,518.00
11/22/2021	2022/032	Destiny Travel Services	382	1,397.00
6/30/2022	2022/103	Expert Travel Services,in	90	1,387.00
2/23/2022	2022/053	Lion Stationery Store	398	1,383.50
1/7/2022	2022/043	Saksouk Shopping Center	390	880.00
6/6/2022	2022/069	Searchlight Communication	73	750.00
1/25/2022	2022/049	Saksouk Shopping Center	393	675.70
9/29/2021	20228/008	Sourct IT-Liberia	360	640.00
5/24/2022	2022/061	Super Petroleum	66	630.00



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Transaction Date	Voucher Number	Description	Check Number	Amount US\$
6/24/2022	2022/094	Super Petroleum	234	540.00
1/18/2022	2022/046	RAJ Enterprise, Inc.	209	500.00
6/28/2022	2022/098	Smart Office Solution, In	236	500.00
2/9/2022	2022/051	Saksouk Shopping center	396	470.00
2/23/2022	2022/054	Saksouk Shopping Center	400	470.00
6/23/2022	2022/093	Caroline K. Suah: Petty	231	467.00
6/8/2022	2022/072	Lion Stationery Store	86	400.00
6/1/2022	2022/066	Alley Printing Press	70	350.00
6/30/2022	2022/100	Saksouk Shopping Center	238	350.00
5/24/2022	2022/062	fuel fr MPW valid section	67	300.00
5/26/2022	2022/064	Aries Solomon	69	200.00
6/6/2022	2022/068	Saksouk Shopping Center	72	150.00
Total				284,413.39

