



Promoting Accountability of Public Resources

## AUDITOR GENERAL'S REPORT

On the Financial Statements Audit of the  
Liberia Learning Foundations Project (LLFP)  
LLFP: P1 72705: Loan No: TF B5369

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

June 2023

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



*Auditor General's Report  
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For the Period July 1, 2021, to December 31, 2022*

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## **Auditor General Report**

June 30, 2023

Prof. D. Ansu Sonii, Sr.  
**Minister of Education**  
Liberia Learning Foundations Project (LLFP)  
Ministry of Education  
Ministerial Complex  
Monrovia, Liberia

**Ref: AUDITOR GENERAL'S REPORT ON THE FINANCIAL STATEMENTS AUDIT OF THE LIBERIA LEARNING FOUNDATIONS PROJECT (LLFP)**

### **Opinion**

We have audited the accompanying financial statements of the Liberia Learning Foundations Project (LLFP) financed by the LLFP: P1 72705: Loan No: TF B5369 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 Liberia Learning Foundations(LLFP) 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

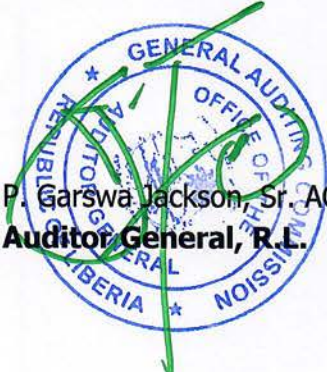


and for such internal control as Management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

**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 30, 2023**

# Liberia Learning Foundations Project (LLFP)

Financial Statement of World Bank Funded  
Project  
for eighteen months ended December 31, 2022.  
LLFP: P172705: Loan No: TF B5369

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, 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:** Joe K. Gbasakollie  
Project Coordinator  
Liberia Learning Foundation Project (LLFP)

**Project Location:** Ministry of Education  
Inter-Ministerial Complex  
Liberia

**Banker:** International Bank Liberia Limited (IBLL)  
11<sup>th</sup> 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		Cummulative
		December 31, 2022	July 1, 2021 - December 31, 2021	
<b>Receipt</b>				
TF Grant	4	1,783,178	851,855	2,635,033
<b>Toptal Receipt</b>		<b>1,783,178</b>	<b>851,855</b>	<b>2,635,033</b>
<b>Payment</b>				
Improving access to Early Childhood Education (ECE) in targeted counties	5	348,508	-	348,508
Achieving better learning through equity, efficiency and accountability	6	700,000	-	700,000
Strengthening project management and sector support and coordination	7	437,337	83,654	520,991
<b>Total Payments</b>		<b>1,485,845</b>	<b>83,654</b>	<b>1,569,499</b>
<b>Excess of receipts over payments (payments over receipts)</b>		<b>297,334</b>	<b>768,201</b>	<b>1,065,534</b>
<b>Fund Balance as at beginning</b>		<b>768,201</b>	<b>-</b>	<b>-</b>
<b>Cummulative fund balance</b>		<b>1,065,534</b>	<b>768,201</b>	<b>1,065,534</b>

*The notes on pages 6 to 8 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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**SPECIAL  
BUDGET  
YEAR**

<i>In United States Dollars</i>	<b>December 31, 2022</b>	<b>July 1, 2021 - December 31, 2021</b>
<b>A Fund Balance</b>		
<b>Balance of Project Fund</b>	768,201	-
Add: Total Receipts during the period	<u>1,783,178</u>	<u>851,855</u>
Total Fund available for operations	2,551,379	851,855
Less: Total Payments during the period	1,485,845	83,654
<b>Balance of project fund at the end of the year</b>	1,065,534	768,201
<b>B Cash Status:</b>		
Cash at Bank	<u>1,065,534</u>	<u>768,201</u>
<b>Total Cash on hand and in bank</b>	1,065,534	768,201
<b>Difference between A and B</b>	<u><u>-</u></u>	<u><u>-</u></u>

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

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\$
Improving access to Early Childhood Education (ECE) in targeted countries	3,140,000	2,076,164	348,508	1,727,656
Achieving better learning through equity, efficiency and accountability	1,770,000	920,000	700,000	220,000
Strengthening project management and sector support and coordination	690,000	533,992	520,991	13,001
<b>Total</b>	<b>5,600,000</b>	<b>3,530,156</b>	<b>1,569,499</b>	<b>1,960,657</b>

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

Variance Explanation

Improving access to Early Childhood Education (ECE) in targeted countries- The main driver of the annual budget (civil works) was based on expected advance payments and first milestone payments for civil works contractors. However, there was a delay in concluding the various contracts. Hence, all advance and first milestone payments were made one month after the budget year. The project's first quarter of the 2022 budget year confirmed this variance narrative.

Achieving better learning through equity, efficiency, and accountability- This is the annual projection we made for the variable part of the project. During the budget year, the end result target for the equity performance-based condition (PBC) was achieved, while the efficiency PBC result target was not achieved due to a delay in the hiring of technical assistance to support the MoE in the achievement of the result. The hiring has now been completed and activities leading to the achievement of this PBC result are ongoing.


Strengthening project management and sector support and coordination- The variance is a result of savings from various operational activities of the Project Delivery Team (PDT).

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

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**SPECIAL  
BUDGET  
YEAR**

<i>In United States Dollars</i>	December 31, 2022	July 1, 2021 - December 31, 2021
<b>Assets</b>		
Cash and cash equivalent	<u>1,065,534</u>	<u>768,201</u>
Total Assets	<u>1,065,534</u>	<u>768,201</u>
<b>Fund Balance</b>		
Grants	<u>1,065,534</u>	<u>768,201</u>
Accumulated Fund Balance	<u><u>1,065,534</u></u>	<u><u>768,201</u></u>

  
31/03/23  
 Papin Daniels, Jr.  
 Director, Donor Financed Projects  
 PFMU, MFDPI

  
31/03/23  
 Joe Gbassaköllie  
 Project Coordinator-LLF  
 MOE

*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 Liberia Learning Foundation-project is geared towards improving access to early childhood education in targeted counties with improved teacher deployment. The LLF project was approved by the World Bank on April 29, 2021 with a grant amount of USD 5.605 Million. The aims of the project are:

- i. To be improving access to early childhood education (ECE) in targeted counties, has the following sub-components: (i) Construction of ECE classrooms, latrines and water systems; (ii) Provision of ECE teaching and learning materials; and (iii) Accelerated education for overage students;
- ii. To improving learning outcomes through increased equity, efficiency, and accountability, provides financing through three Performance-Based Conditions (PBCs) to incentivize improvements in equity, efficiency, and learning outcomes in the education system;
- iii. Strengthening project management and sector support and coordination, aims to support the Ministry of Education (MOE) in the areas of project management, coordination, monitoring and evaluation (M&E) including Independent Verification Agency (IVA), financial management (FM), procurement, and environmental and social management.

**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
Improving access to Early Childhood Education (ECE) in targeted counties	3,140,000	100
Achieving better learning through equity, efficiency and accountability	1,770,000	100
Strengthening project management and sector support and coordination	690,000	100
<b>Total</b>	<b>5,600,000</b> =====	

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

	% of Expenditure
IDA	100
<b>Total</b>	<b>100</b> =====

**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 LLF 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 LLF 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). This is also the project first year of being audited.

NOTES TO THE FINANCIAL STATEMENTS (continued)

SPECIAL  
BUDGET  
YEAR

8

*In United States Dollars*

	December 31, 2022	July 1, 2021 - December 31, 2021	Cummulative
<b>4 Grant Receipt</b>			
TF B5369	961,412	851,855	1,813,267
TF B5369 -Direct Payment	821,766	-	821,766
	<u>1,783,178</u>	<u>851,855</u>	<u>2,635,033</u>
<b>5 Improving access to Early Childhood Education (ECE) in targeted counties</b>			
Construction of ECE classrooms, latrines and water systems	2,985	-	2,985
Provision of ECE teaching and learning materials	129,636	-	129,636
Construction of ECE classrooms, latrines and water systems	215,887	-	215,887
	<u>348,508</u>	<u>-</u>	<u>348,508</u>
<b>6 Achieving better learning through equity, efficiency and accountability</b>			
PBC 1 - To increase in the proportion of qualified ECE and primary teachers in the targeted counties (Equity)	700,000	-	700,000
	<u>700,000</u>	<u>-</u>	<u>700,000</u>
<b>7 Strengthening project management and sector support and coordination</b>			
Strengthening project management and sector support and coordination	437,337	83,654	520,991
	<u>437,337</u>	<u>83,654</u>	<u>520,991</u>
<b>10 Cash receipts through grant and other Sources</b>			
IDA grant	1,783,178	851,855	2,635,033
<b>11 Cash paid</b>			
Improving access to Early Childhood Education (ECE) in targeted counties	348,508	-	348,508
Achieving better learning through equity, efficiency and accountability	700,000	-	700,000
Strengthening project management and sector support and coordination	437,337	83,654	520,991
<b>Total Payments</b>	<u>1,485,845</u>	<u>83,654</u>	<u>1,569,499</u>

**PROJECT DESIGNATED ACCOUNT STATEMENT**

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**Account Number:** 121971275820102  
**Account Type:** Current Account  
**Depository Bank (s):** International Bank Liberia Limited  
**Address:** 11th Street, Sinkor  
Monrovia, Liberia

*Currency: United States Dollar*

	<b>SPECIAL BUDGET YEAR</b>	
	<b>December 31, 2022</b>	<b>July 1, 2021 - December 31, 2021</b>
Total Grant Received	<u>1,783,178</u>	<u>851,855</u>
Total grant income reported	1,783,178	851,855
Amount spent	1,485,845	83,654
Balance as at beginning	<u>768,201</u>	-
<b>Balance as at December 31, 2022</b>	<u><u>1,065,534</u></u>	<u><u>768,201</u></u>
<b>Closing Balance Consist of:</b>		
Petty Cash	250	464
TF Designated A/c-IB	<u>1,065,284</u>	<u>767,737</u>
	<u><u>1,065,534</u></u>	<u><u>768,201</u></u>