Management Letter

On Financial Statements Audit of the Building Climate Resilience Project (BCRP)

For the Financial year January 1, 2024 to December 31, 2024

Promoting Accountability of Public Resources

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

Monrovia, Liberia
May 2025

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ACRONYM

Acronym/Abbreviation/Symbol	Meaning
AA	Administrative Assistant
AG	Auditor General
AWPB	Annual Work Plan and Budget
BCRP	Building Climate Resilience Project
CFC	Certified Financial Consultant
CFIP	Certified Forensic Investigation Practitioner
COBIT	Control Objectives for Information and Related Technology
COSO	Committee on Sponsoring Organization
EPA	Environmental Protection Agency
FC	Financial Comptroller
FCCA	Fellow of THE Association of Chartered Certified Accountant
GAC	General Auditing Commission
IFAD	International Fund for Agriculture Development
IFR	Interim Financial Reports
ISSAI	International Standards of Supreme Audit Institutions
MFDP	Ministry of Finance and Development Planning
MoA	Ministry of Agriculture
M&E	Monitoring and Evaluation
NSC	National Steering Committee
PC	Project Coordinator
PFM	Public Financial Management
PIU	Project Implementation Unit
PMU	Project Management Unit
RL	Republic of Liberia
US$	United States Dollars

June 24, 2025
Hon. J. Alexander Nuetah, PHD
Minister
Ministry of Agriculture
Ministerial Complex, Congo Town
Monrovia, Liberia

Dear Hon. Nuetah:

RE: Management Letter on the Financial Statements Audit of the Building Climate Resilience Project (BCRP) For the Financial Year January 1, 2024 to December 31, 2024.

The financial statements of the Building Climate Resilience project (BCRP) are subject to audit by the Auditor-General in accordance with Section 2.1.3 of the General Auditing Commission (GAC) Act of 2014 as well as the Terms of Reference of the Project Financing Agreement.

Introduction
The audit of the financial statements of the Building Climate Resilience Project (BCRP) for the financial year January 1, 2024, to December 31, 2024, was completed, and the purpose of this letter is to bring to your attention the findings that were revealed during the audit.

Scope and Determination of Responsibility
The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). 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.

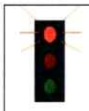
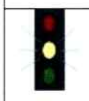
An audit also includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations which came to our attention and are applicable to financial matters.

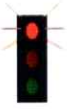
The matters mentioned in this letter are therefore those that were identified through tests considered necessary for the purpose of the audit and it is possible that there might be other matters and/or weaknesses that were not identified.
The financial statements, maintenance of effective control measures and compliance with laws and

regulations are the responsibility of the Project Management. Our responsibility is to express our opinion on these financial statements.

Summary of Audit Findings and Recommendations

The findings in this report are broadly classified as being of high, moderate or low priority. The priority given to each finding is a reflection of our understanding of the impact the finding has upon internal controls and thus overall grant objectives.

	**Critical (High):** These findings reflect key or primary control for which we would recommend immediate rectification in order to establish a sufficient control environment. Prior year recommendation not implemented requires immediate rectification. These are high level issues which impact seriously on the achievement of overall project goals.
	**Significant (Moderate/Medium):** These findings represent those of a lesser significance than the high priority but which are still considered necessary for the ongoing good management of the control environment. Potential exists for these issues to become more serious if they are not addressed.
	**Housekeeping (Low):** These findings are considered less risky but nevertheless need attention.

No	Paragraph No.	Finding	Recommendation	Priority Classification
1	1.1.1.5	No Meeting Minutes and attendance listing for Steering Committee	Management should liaise with the relevant authorities to facilitate the conduct of periodic Steering Committee meetings. Steering Committee's meeting minutes should comprehensively detail activities discussed, actions to implement planned activities and approved timelines. Meetings' minutes should be subsequently documented and filed to facilitate future review.	 **High**
2	1.1.1.6	No Meeting Minutes and attendance listing for Steering Committee	The Steering Committee should also institute a platform for following-up on decision made at Steering Committee's meeting. An update of progress towards previous meeting agreed actions/deliverable should be discussed during current meetings, as a medium for tracking institutional progress and planning for future activities.	 **High**
3	1.1.2.6	Lack of Detailed Monitoring and Evaluation Report	Management should ensure proper coordination, monitoring and evaluation are implemented during the execution of the project.	 **High**

No	Paragraph No.	Finding	Recommendation	Priority Classification
4	1.1.2.7	Lack of Detailed Monitoring and Evaluation Report	Management should ensure that the M&E Officer prepares comprehensive monitoring, evaluation and progress reports on a timely basis. Evidence of Monitoring and Evaluation reports should be adequately documented and filed to facilitate future review.	 **High**
5	1.2.2.5	Non-Preparation of Monthly Budget Monitoring Statement	Management should ensure that Budget Monitoring Statements are prepared on a monthly basis. Gaps identified should inform future emphasis on income receipt and reallocation of expenditure disbursements.	 **High**
6	1.2.2.6	Non-Preparation of Monthly Budget Monitoring Statement	Evidence of the approved Monthly Budget Monitoring Statements should be adequately documented and filed to facilitate future review.	 **High**
7	1.3.1.8	Non-Preparation of Monthly Statement of Supplies	Management should develop at least an excel based or an automated inventory management system to facilitate and ensure accurate records of inventories such as purchases, distribution, current stock balances, stock-out levels, reordering and etc.	 **High**
8	1.3.1.9	Non-Preparation of Monthly Statement of Supplies	Management should ensure that periodic stock taking of inventories are conducted and appropriate adjustments, where applicable, are made to support the inventory balances in inventory management system	 **High**
9	1.3.1.10	Non-Preparation of Monthly Statement of Supplies	Management should facilitate the timely preparation of monthly statement of supplies consistent with Chapter 4.6 paragraph 203 of the Finance and Administrative Procedures Manual.	 **High**
10	1.3.1.11	Non-Preparation of Monthly Statement of Supplies	Evidence of all inventory records including periodic stock taking reports and monthly statements of supplies should be adequately documented and filed to facilitate future review	 **High**
11	1.3.1.12	Non-Preparation of Monthly Statement of Supplies	Evidence of periodic stock taking report should be adequately documented and filed to facilitate future review.	 **High**

No	Paragraph No.	Finding	Recommendation	Priority Classification
12	1.3.2.4	Transaction without Supporting Documentation	Management should fully account for advance payment made without adequate supporting documents.	 **High**
13	1.3.2.5	Transaction without Supporting Documentation	Going forward, Management should ensure all transactions are supported by the requisite supporting documents consistent with the financial management regulations. Documentation such as contracts, invoices, goods received notes, job completion certificates, purchase orders, payment vouchers etc. should be prepared and approved for the procurement of goods and services where applicable. All relevant supporting records should be adequately documented and filed to facilitate future review.	 **High**
14	1.3.2.6	Transaction without Supporting Documentation	All advance payments should be subsequently accounted for through submission of a liquidation report and all relevant supporting documentation validating the expenditure cataloged therein. Evidence of liquidation reports and all relevant supporting records should be adequately documented and filed to facilitate future review.	 **High**
15	1.3.2.7	Transaction without Supporting Documentation	Additionally, Management should facilitate the operationalization of the electronic document management system by ensuring that all relevant source and supporting documents are scanned, attached to the transaction (in the accounting software for financial transactions), archived and maintained to facilitate future review.	 **High**
16	1.3.3.8	Payments Without Bills of Lading	Management should fully account for expenditures made without adequate supporting documents.	 **Moderate/ Medium**
17	1.3.3.9	Payments Without Bills of Lading	Going forward, Management should ensure all transactions are supported by the requisite supporting documents consistent with the financial management regulations. Documentation such as contracts, invoices, goods received notes, job completion certificates, purchase orders, payment vouchers	 **Moderate/ Medium**

No	Paragraph No.	Finding	Recommendation	Priority Classification
			etc. should be prepared and approved for the procurement of goods and services where applicable. All relevant supporting records should be adequately documented and filed to facilitate future review.	
18	1.4.1.8	Findings from the Field Visit on the Distribution of Farming Tools and Agriculture Inputs	Management should develop, approve and operationalize an inventory management policy to regulate inventory management of the entity. The policy should comprehensively catalog provisions for ordering, storing, distributing and recording of inventories/ stationery & supplies and the nature and timing of stock-take/ physical verification of inventories/ stationery and supplies.	 **High**
19	1.4.1.9	Findings from the Field Visit on the Distribution of Farming Tools and Agriculture Inputs	Management should develop and operationalize an automated inventory management system to facilitate and ensure accurate records of inventories such as; purchases, distribution, current stock balance, reordering level, stock-out level etc.	 **High**
20	1.4.1.10	Findings from the Field Visit on the Distribution of Farming Tools and Agriculture Inputs	Inventory should be stored in secured custody/warehouse protected by a metallic door and access granted only to authorized personnel at all times.	 **High**
21	1.4.1.11	Findings from the Field Visit on the Distribution of Farming Tools and Agriculture Inputs	Inventory should be systematically arranged on shelves, comprehensively and systematically labelled to facilitate effective monitoring, evaluation and recording of inventories	 **High**
22	1.4.1.12	Findings from the Field Visit on the Distribution of Farming Tools and Agriculture Inputs	Management should perform periodic physical verification of inventory and review of systems and records. Appropriate adjustments should be made where applicable	 **High**
23	1.4.1.13	Findings from the Field Visit on the Distribution of Farming Tools and Agriculture Inputs	Evidence of approved policy, and all other inventory records including records of periodic stock takes, should be adequately documented and filed to facilitate future review.	 **High**
24	1.5.1.5	No Risk Assessment Policy and Process	Management should develop, approve, and operationalize a risk management policy to guide internal and external risks that may impair the achievement of the project's objectives.	 **Moderate/ Medium**

No	Paragraph No.	Finding	Recommendation	Priority Classification
25	1.5.1.6	No Risk Assessment Policy and Process	Subsequently, Management should facilitate the conduct of periodic risk assessments and take corrective action for gaps identified.	 **Moderate/ Medium**
26	1.5.1.7	No Risk Assessment Policy and Process	Subsequently, Management should facilitate the conduct of periodic risk assessments and take corrective action for gaps identified. Periodic Risk Assessment reports should be adequately documented and filed to facilitate future review	 **Moderate/ Medium**
27	1.6.1.6	IT Governance	Management should prioritize the development of a well-defined IT Governance that aligns with their strategic vision and facilitates the achievement of long-term goals. The establishment of a robust IT Governance framework will ensure that IT investments align with the nation's strategic objectives, enhancing transparency, accountability, and efficiency.	 **High**
28	1.6.2.4	IT Security Management	Management should establish and operationalize an IT Security Management to protect the organization assets and ensure the confidentiality, integrity, and availability of data. This process would involve implementing various security measures to guard against unauthorized access, cyberattacks, and other potential security breaches that could lead to data loss or damage	 **Moderate/ Medium**
29	1.6.3.4	Program Change Management	Management should develop and operationalize a robust change management program which includes comprehensive documentation and approval processes for upgrades, patches, and reviewed before implementation. Implementing these steps can help in aligning changes with organizational policy and maintaining the integrity of the IT infrastructure.	 **Low**
30	1.6.4.4	Physical Access Control	Management should develop and operationalize a physical access control policy to protect IT assets	 **Low**

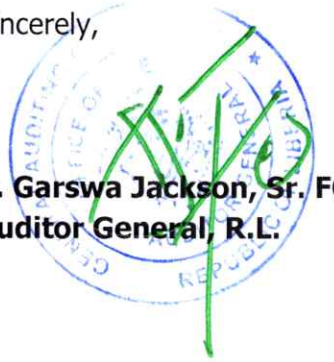
The audit findings that were identified during the course of the audit are included below.

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 accorded and assistance rendered by the staff of the IFAD Project Implementation Unit (PIU) of the Ministry of Agriculture (MoA) during the audit.

Sincerely,



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

1 DETAILED FINDINGS AND RECOMMENDATIONS

1.1 Governance

1.1.1 No Meeting Minutes and attendance listing for Steering Committee

Criteria

1.1.1.1 Chapter 1.1 paragraph 17 of the Finance/Administrative Manual states that the National Steering Committee (NSC) orients project implementation strategy, oversees project planning, and provides inter-ministerial coordination. The existing Food Security and Nutrition Technical Committee serves as the NSC. It is chaired by the MOA and includes farmer representatives and various private sector representatives. The NSC meets twice a year and on an ad-hoc basis as necessary; the PIU acts as secretariat to the NSC. The specific responsibilities of the NSC include:

- Providing conceptual support to the PIU for design, implementation and coordination of project interventions
- Ensuring conformity of project implementation with GoL policy and strategy in this sector
- Reviewing and approving AWPBs prior to submission to IFAD
- Endorsing changes negotiated between donors and the GoL
- Endorsing changes to the project concept proposed by the Borrower, MOA or PIU
- Resolving implementation problems or conflicts
- Assisting the PIU in obtaining, whenever needed, the GoL's assistance and contribution to the project
- Reviewing semi-annual progress reports and monitoring project performance.

Observation

1.1.1.2 During the audit, we observed no evidence that the National Steering Committee met as required.

Risk

1.1.1.3 The strategic oversight over the function of the Management of the project may be impaired. This may impair the achievement of the project's objectives.

1.1.1.4 Management may override institutional policies and procedures that may adversely impact the operations of the project.

1.1.1.5 Monitoring and evaluation of the mandate and strategic and operational objectives of the project may be impaired. This may impair the achievement of approved deliverables of the project.

Recommendation

1.1.1.6 Management should liaise with the relevant authorities to facilitate the conduct of periodic Steering Committee meetings. Steering Committee's meeting minutes should comprehensively detail activities discussed, actions to implement planned activities and approved timelines. Meetings' minutes should be subsequently documented and filed to facilitate future review.

1.1.1.7 The Steering Committee should also institute a platform for following-up on decision made at Steering Committee's meeting. An update of progress towards previous meeting agreed actions/deliverable should be discussed during current meetings, as a medium for tracking institutional progress and planning for future activities.

Management's Response

1.1.1.8 *The steering committee met during the approval of the 2024 Annual Work Plan and Budget. The Committee also met to approve the revised 2024 AWPB and Minutes of said meeting was submitted to IFAD for granting of No Objection. (Attached is the NSC Meeting minutes 1.1*)

Auditor General's Position

1.1.1.9 We acknowledge Management subsequent submission of the 19th Steering Committee Report after our audit execution. However, Management did not submit evidence of Steering Committee Meeting minutes and attendance listing as requested. Further, Management's submission of documents after our review does not guarantee Management's effective control of document management. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.1.2 Lack of Detailed Monitoring and Evaluation Report

Criteria

1.1.2.1 Section 5.5 paragraph 369 of the Finance and Administrative Procedure manual requires that this quarterly report is addressed to the NSC, IFAD, and MOA. It describes the progress of the project in terms of physical implementation and financial execution, integrating information from the IP's progress reports. It is prepared by the M&E Officer (with input from the technical staff) for physical implementation aspects and includes the financial execution report prepared by the FC.

1.1.2.2 And also, section 5.5 paragraph 370 of the Finance and Administrative Procedure manual requires that the financial section of the progress report includes an analysis of the ratio of project funds utilization (programmatic expenditures vs. administrative expenditures), which is a measure of the efficiency in the management of project resources. This ratio is calculated quarterly, at year-end, and cumulatively since the start of the project. It is compared with the same ratio per the AWPB and per the

allocation of loan funds shown in Annex 6.d. Significant variances are analyzed and explained in the quarterly progress reports.

Observation

1.1.2.3 During the audit, we observed no evidence that the Project Monitoring and Evaluation (M&E) Officer prepared detailed progress reports on the implementation and execution of the project programs: such as IP's progress reports (including physical and financial progress) and the analysis of the ratio of project funds utilization (programmatic expenditures vs. administrative expenditures), which is a measure of the efficiency in the management of project resources.

Risk

1.1.2.4 Failure by the M&E Officer to prepare detailed progress reports may deny stakeholders the information on progress achieved against set objectives.

1.1.2.5 The absence of effective monitoring and evaluation during the project may impair the achievement of value for money and the implementation of project deliverables.

Recommendation

1.1.2.6 *Management* should ensure proper coordination, monitoring and evaluation are implemented during the execution of the project.

1.1.2.7 Management should ensure that the M&E Officer prepares comprehensive monitoring, evaluation and progress reports on a timely basis. Evidence of Monitoring and Evaluation reports should be adequately documented and filed to facilitate future review.

Management's Response

1.1.2.8 *Management do prepare budget monitoring report quarterly along with Interim Financial Report (IFR) in line with IFAD Policy as amended in the revised PIM. (See attached copy 1.2).*

Auditor General's Position

1.1.2.9 Management's assertions did not adequately address the issues raised. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.2 Budget Management

1.2.1 Non- Preparation of Monthly Budget Monitoring Statement

Criteria

1.2.1.1 Chapter 6.2 paragraphs 321 of the Finance and Administrative Procedure manual provides that the FC is responsible for monitoring the budget by comparing it with

actual expenditures. The expenditure process is described in section 6.3. Project expenses recorded in the general accounts are simultaneously recorded against the budget (see Chapter 7 for details on the coding and accounting of transactions). Thanks to this unique entry system, all project expenses are automatically recorded in the "actual expense" column of the budget. A monthly budget monitoring statement which shows the status of the budget by component and by expense category is printed at the end of each month (see model in Annex 6.e). This statement shows for each AWPB activity or budget line, the budgeted amount, the cumulative expenditures and the available balance.

Observation

1.2.1.2 During the audit, we observed no evidence of preparation of Monthly Budget Monitoring Statements as required. This finding was also brought to the attention of the project management during the prior year audit.

Risk

1.2.1.3 Failure by Management to prepare a Monthly Budget Monitoring Statements may lead to overspending/underspending of budget limits and facilitate discretionary expenditure.

1.2.1.4 Revenue and Expenditure performance may not be measured in a reliable manner leading to the misappropriation of the project's funds.

Recommendation

1.2.1.5 Management should ensure that Budget Monitoring Statements are prepared on a monthly basis. Gaps identified should inform future emphasis on income receipt and reallocation of expenditure disbursements.

1.2.1.6 Evidence of the approved Monthly Budget Monitoring Statement should be adequately documented and filed to facilitate future review.

Management's Response

1.2.1.7 *Management do prepare budget monitoring report quarterly along with Interim Financial Report (IFR) in line with IFAD Policy as amended in the revised PIM. (See attached copy 1.2.2).*

Auditor General's Position

1.2.1.8 Management's assertion of the preparation of quarterly budget monitoring reports was not supported by documentary evidence. However, we acknowledge Management's acceptance of our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.3 Financial Reporting

1.3.1 Non-Preparation of Monthly Statement of Supplies

Criteria

1.3.1.1 Chapter 4.6 paragraph 203 of the Finance and Administrative Procedures Manual requires that a simple stock management system be developed on Excel to record the receipt and delivery of supplies and to monitor the level of stocks at all times. The system includes an individual stock card for each item purchased by the Project. The card shows the opening balance, receipts, deliveries, and available stock (see model in Annex 4.k). The monthly stock statement (see Annex 4.k) shows cumulative movements for the month as well as the end-of-month balance for each item. The monthly statement is updated automatically from the data contained in the individual cards.

Observation

1.3.1.2 During the audit, we observed no evidence of preparation of a Monthly Statement of Supplies for the period under audit as required. This finding was also brought to the attention of Management during the prior year audit.

Risk

1.3.1.3 Effective stock management may not be achieved in the absence of a Monthly Statement of Supplies.

1.3.1.4 Inventory/supply may be misappropriated leading to decline in operational activities.

1.3.1.5 The lack of Monthly Statement of Supplies may impair the availability of information on the historical cost of the supplies procured as well as deny the Management of the PIU the abilities to make informed decision on the level of supplies available or used.

1.3.1.6 Failure to effectively maintain documentations for inventory receipt, storage, and distribution may lead to misappropriation of inventory.

1.3.1.7 Inventory may not be ordered, received, maintained and distributed in a timely manner.

Recommendation

1.3.1.8 Management should develop at least an excel based or an automated inventory management system to facilitate and ensure accurate records of inventories such as purchases, distribution, current stock balances, stock-out levels, reordering and etc.

1.3.1.9 Management should ensure that periodic stock taking of inventories are conducted and appropriate adjustments, where applicable, are made to support the inventory balances in inventory management system.

1.3.1.10 Management should facilitate the timely preparation of Monthly Statement of Supplies consistent with Chapter 4.6 paragraph 203 of the Finance and Administrative Procedures Manual.

1.3.1.11 Evidence of all inventory records including periodic stock taking reports and monthly statements of supplies should be adequately documented and filed to facilitate future review.

1.3.1.12 Evidence of periodic stock taking report should be adequately documented and filed to facilitate future review.

Management's Response

1.3.1.13 *Management developed an excel based inventory management system to facilitate and ensure accurate records of inventories such as purchases, distribution, current stock balances, stock-out levels, reordering and etc. This inventory report is reviewed and signed before the next procurement is made. (See attached report 1.3.1)*

Auditor General's Position

1.3.1.14 Management's assertions were not supported by documentary evidence. Therefore, we maintain our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.3.2 Transaction without Supporting Documentation

Criteria

1.3.2.1 Chapter 6.6 paragraph 367 of the Finance and Procedure Manual provides that the IPs in charge of activities under each project component are required to submit to the PIU, on a quarterly basis, a report detailing the physical progress achieved (against set objectives) as well as the financial situation, in accordance with the provisions of the MOU signed with the STCRSP. The financial section of the report must include a cash advance reconciliation, a detailed expenditure report (with copies of related supporting documents attached) and a budget-to-actual statement including a narrative explaining all significant variances.

1.3.2.2 Additionally, Chapter 6.6 paragraph 369 of the Finance and Procedure Manual provides that the quarterly report is addressed to the NSC, IFAD and MOA. It describes the progress of the project in terms of physical implementation and financial execution, integrating information from the IPs progress reports. It is prepared by the M&E Officer (with input from the technical staff) for physical implementation aspects, and includes the financial execution report prepared by the FC.

Observation

1.3.2.3 During the audit, we observed that the PIU Management disbursed an advance

payment of US$ 92,498.55 to the Environmental Protection Agency (EPA). However, we observed no evidence of supporting documentation confirming the retirement of this advance payment as required. **See Table 1 for details.**

Table 1: Transaction without Supporting Documentation

No.	Account Date	Voucher N°	Description	Payee	Amount US $
1	3/27/2023	0249	Ck# 00135603 Advance payment for EPA BCRP Implementation	EPA	92,498.55
TOTAL					**92,498.55**

Risk

1.3.2.4 Payments may be made for goods not delivered or services not performed. Goods delivered or services performed may not meet the approved specifications.

1.3.2.5 In the absence of adequate supporting documents, the validity, occurrence, and accuracy of payments may not be assured. This may lead to misappropriation of the project's funds.

1.3.2.6 The absence of adequate supporting documentation for transactions may also lead to fraudulent financial management practices, through the processing and disbursement of illegitimate transactions.

1.3.2.7 Management may override the procurement processes by completing disbursement without utilizing the required procurement methods.

Recommendation

1.3.2.8 Management should fully account for advance payment made without adequate supporting documents.

1.3.2.9 Going forward, Management should ensure all transactions are supported by the requisite supporting documents consistent with the financial management regulations. Documentation such as contracts, invoices, goods received notes, job completion certificates, purchase orders, payment vouchers etc. should be prepared and approved for the procurement of goods and services where applicable. All relevant supporting records should be adequately documented and filed to facilitate future review.

1.3.2.10 All advance payments should be subsequently accounted for through submission of a liquidation report and all relevant supporting documentation validating the expenditure cataloged therein. Evidence of liquidation reports and all relevant supporting records should be adequately documented and filed to facilitate future review.

1.3.2.11 Additionally, Management should facilitate the operationalization of the electronic document management system by ensuring that all relevant source and supporting documents are scanned, attached to the transaction (in the accounting software for financial transactions), archived and maintained to facilitate future review.

Management's Response

1.3.2.12 *Management has had several meetings with EPA Authority for the liquidation of this advance. It has also been elevated to the Minister of MOA and Minister of MFDP to prevail on EPA to fully liquidate said amount. In the project last meeting with EPA, MFDP and MOA, the Minister of MFDP promised to ensure that this advance is liquated against EPA National Budget. However, the project has placed a hold on disbursement activities to EPA until the amount is retired.*

Auditor General's Position

1.3.2.13 Management's assertion did not adequately address the issue raised. Management did not provide a liquidation report for subsequent disbursement of advance payment cataloged in table 1 above. Therefore, we maintain our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.3.2.14 Management should submit to the Office of the Auditor General the liquidation report for advance payment within thirty (30) days upon the issuance of the Auditor General's Report to the National Legislature.

1.3.3 Payments without Bills of Lading

Criteria

1.3.3.1 Regulation P.9 (1) of the PFM Act of 2009 as Amended and Restated 2019 provides that all disbursements or payments of public money shall be properly supported by pre-numbered payment vouchers. Payments except for statutory transfers and debt service shall be supported by invoices, bills, and other documents in addition to the payment vouchers.

1.3.3.2 Also, section 6.3 paragraph 337of the Finance and Administrative Procedure manual requires that (ii) For payment of goods, in addition to (i): ⎪ Supplier's invoice, duly certified for payment by the Project Coordinator– specifying the goods, their quantities, and prices; ⎪ Bills of lading or similar documents; and ⎪ As appropriate, the certificate of delivery (to include the condition of goods on delivery).

Observation

1.3.3.3 During the audit, we observed no evidence of bills of lading for payments amounting to US$161,676.77. **See Table 2 below for details.**

Table 2: Payment without Bills of Lading

No.	Account Date	Voucher N°	Description	Debit US$	comments
1	11/26/2024	0612	CK#00593532 FINAL PAYMENT TO VISHNU TRADING FOR THE SUPPLED OF RICE MILL FOR BCRP FARMERS	65,500.00	No Bills of lading attached
2	7/24/2024	0488	PAYMENT TO OMEGA SUPPLY CHAIN FOR THE SUPPLY OF POLYTHENE BANGS FOR BCRP COCOA FARMERS	31,476.32	No Bills of lading attached
9	9/19/2024	0575	CK#00593497 PAYMENT TO GRO GREEN FOR THE SUPPLIED OF ASSORTED TOOLS FOR RICE FARMERS	29,408.00	No Bills of lading attached
10	11/1/2024	0590	CK#00593515 PAYMENT O GRO GREEN FOR THE SUPPLY OF MOISTURE METERS, STORAGE BAGS AND SICKLES FOR BCRP	20,000.00	No Bills of lading attached
8	8/20/2024	0554	CK00168016 PAYMENT TO TRYPHANINAS POULTRY & FARM FOR SUPPLIED CHICKS MEDICATION AND OTHER MATERIAL	7,027.45	No Bills of lading attached
14	9/19/2024	0575	CK#00593497 PAYMENT TO GRO GREEN FOR THE SUPPLIED OF CHAIN SAW FOR RICE FARMERS	4,650.00	No Bills of lading attached
7	7/24/2024	0488	PAYMENT TO OMEGA SUPPLY CHAIN FOR THE SUPPLY OF TOOLS FOR BCRP COCOA FARMERS	3,615.00	No Bills of lading attached
TOTAL				**161,676.77**	

Risk

1.3.3.4 Payments may be made for goods not delivered or services not performed. Goods delivered or services performed may not meet the approved specifications.

1.3.3.5 In the absence of job completion certificates, the validity, occurrence, and accuracy of payments may not be assured. This may lead to misappropriation of the project's funds.

1.3.3.6 The absence of adequate supporting documentation for transactions may also lead to fraudulent financial management practices through the processing and disbursement of illegitimate transactions.

1.3.3.7 Management may override the procurement processes by completing disbursement without utilizing the required procurement methods.

Recommendation

1.3.3.8 Management should fully account for expenditures made without adequate supporting documents.

1.3.3.9 Going forward, Management should ensure all transactions are supported by the requisite supporting documents consistent with the financial management regulations. Documentation such as contracts, invoices, goods received notes, job completion certificates, purchase orders, payment vouchers etc. should be prepared and approved for the procurement of goods and services where applicable. All relevant supporting records should be adequately documented and filed to facilitate future review.

Management's Response

1.3.3.10 *Management could not obtain bills of lading for the above goods purchased due to the freeze on the award of duty free privilege by Ministry of Agriculture. In addition, Goods and inspection report are prepared for delivery of goods purchased while certificates are issued by end user for works or consultancy completed.*

Auditor General's Position

1.3.3.11 Management's assertions were not supported by documentary evidence. Therefore, we maintain our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.4 Procurement Management

1.4.1 Findings from the Field Visit on the Distribution of Farming Tools and Agriculture Inputs

Criteria

1.4.1.1 Component 1 of the TCEP Financing Agreement: Revitalization of Cocoa Plantation, aimed at increasing quantity and quality of cocoa sold and higher price received by smallholders. Under this component the project will rehabilitate 8,000 ha of cocoa plantation following value chain model; establish and operate a seed station to guaranteed availability of improved planting materials to farmers, village nurseries and privately owned nurseries; mobilize and organize 320 kuu groups of 25 persons and FFS to reach 8,000 farmers; establish 320 village nurseries and supply improved hybrid seeds/seedlings, equipment, tools, and solar dryers to smallholder farmers; train 8,000 farmers in crop husbandry techniques, disease control, harvesting, post-harvesting handling, grafting and identification of suitable cocoa germplasm using the FFS approach.

Observation

1.4.1.2 During the audit, we observed the following:

- Stockpiled of Moisture meters and farming tools distribution was delayed.
- Untimely distribution of 2 Power tillers to Kuu groups.
- Inadequate number of staff to implement project activities.
- No evidence that periodic training was conducted for the beneficiary farmers
- Inventories were not systematically arranged on shelves and

comprehensively labelled in the store room.

- No evidence of manual or automated inventory management system comprehensively cataloguing the following: goods ordered, goods received, goods requested, goods distributed, current running balance and buffer (minimum request before reordering) inventories/ stationery & supplies level established for each class of inventory/ stationery & supplies

Risk

1.4.1.3 Inventories may be procured, stored, distributed and reported on a discretionary basis in the absence of a policy.

1.4.1.4 Inventory may be susceptible to theft if kept in an unsecured custody.

1.4.1.5 Inventory may be susceptible to damage or misappropriation if stored in an inappropriate environment.

1.4.1.6 Inventory may not be duly accounted for in the absence of a comprehensive inventory management system and non-performance of periodic physical verification.

1.4.1.7 Inventory may be misappropriated leading to decline in operational activities.

Recommendation

1.4.1.8 Management should develop, approve and operationalize an inventory management policy to regulate inventory management of the entity. The policy should comprehensively catalog provisions for ordering, storing, distributing and recording of inventories/ stationery & supplies and the nature and timing of stock-take/ physical verification of inventories/ stationery and supplies.

1.4.1.9 Management should develop and operationalize an automated inventory management system to facilitate and ensure accurate records of inventories such as; purchases, distribution, current stock balance, reordering level, stock-out level etc.

1.4.1.10 Inventory should be stored in secured custody/warehouse protected by a metallic door and access granted only to authorized personnel at all times.

1.4.1.11 Inventory should be systematically arranged on shelves, comprehensively and systematically labelled to facilitate effective monitoring, evaluation and recording of inventories.

1.4.1.12 Management should perform periodic physical verification of inventory and review of systems and records. Appropriate adjustments should be made where applicable.

1.4.1.13 Evidence of approved policy, and all other inventory records including records of periodic stock takes, should be adequately documented and filed to facilitate future review.

Management's Response

1.4.1.14 *Management has developed and operationalized an inventory management policy to regulate inventory management of the entity. The policy comprehensively cataloged provisions for ordering, storing, distributing and recording of inventories/ stationery & supplies and the nature and timing of stock-take/physical verification of inventories/ stationery and supplies. (See attached draft 1.4.1)*

Auditor General's Position

1.4.1.15 We acknowledge Management's submission of a draft inventory management policy after our execution of the audit. However, Management's submission of documents after our review does not guarantee Management's effective control of document management.

1.4.1.16 Going forward, Management should ensure information requested for audit purposes are submitted in a timely manner for review.

1.5 Assurance Management

1.5.1 No Risk Assessment Policy and Process

Criteria

1.5.1.1 Paragraph 17 of the Internal Integrated Framework, published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) indicates that in most cases, the board of head of public entity is ultimately responsible for determining whether management has implemented effective internal control including monitoring. The institution makes this assessment by (a) understanding the risks the organization faces and (b) Gaining an understanding of how senior management imagines or mitigates those risk that are meaningful to the organization objectives. Obtaining this understanding includes determining how management supports its beliefs about the effectiveness of the internal control system in those areas.

Observation

1.5.1.2 During the audit, we observed no evidence that Management had developed a risk management policy nor performed periodic risk assessment to guide internal and external risks that may impair the achievement of the project's objectives.

Risk

1.5.1.3 The absence of a Risk Management Policy/risk assessment exercise may lead to management not being aware of potential risks that may impair the achievement of the project objectives.

1.5.1.4 Potential risk to the entity may not be identified, assessed and mitigated/prevented in a timely manner thereby leading to the non-achievement of the project's objective.

Recommendation

1.5.1.5 Management should develop, approve, and operationalize a risk management policy to guide internal and external risks that may impair the achievement of the project's objectives.

1.5.1.6 Subsequently, Management should facilitate the conduct of periodic risk assessments and take corrective action for gaps identified.

1.5.1.7 Evidence of approved risk management policy and periodic risk assessment reports should be adequately documented and filed to facilitate future review.

Management's Response

1.5.1.8 *The PIU uses the PMU Risk Management Policy. Internal Audit conducts risk assessment of the project annually and generates a risk register containing material risks that require management attention. The risks register for MoA projects was updated for 2025 which informed the Internal Audit annual work plan. (See Attached Risk Policy 1.5.1)*

Auditor General's Position

1.5.1.9 Management's assertions did not address the issues raised. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.

1.6 IT System and Computerized Environment

1.6.1 Non-existence of IT Governance Structure

Criteria

1.6.1.1 EDM01.01 of COBIT 2019 states that; Evaluate the governance system. Continually identify and engage with the enterprise's stakeholders, document an understanding of the requirements, and evaluate the current and future design of governance of enterprise I&T.

1.6.1.2 EDM01.02 of COBIT 2019 states that; Direct the governance system. Inform leaders on I&T governance principles and obtain their support, buy-in and commitment. Guide the structures, processes and practices for the governance of I&T in line with the agreed governance principles, decision-making models and authority levels. Define the information required for informed decision making.

1.6.1.3 EDM01.03 of COBIT 2019 states that; Monitor the governance system. Monitor the effectiveness and performance of the enterprise's governance of I&T. Assess whether the governance system and implemented mechanisms (including structures, principles and processes) are operating effectively and provide appropriate oversight of I&T to enable value creation.

Observation

1.6.1.4 During the audit, we observed no evidence of a functional IT Governance to guide the structures, processes and practices as well as provide oversight of the IT strategic goals, objectives and activities of the entity evidenced by the nonexistence of the following;

- IT Strategic Plan
- IT Steering Committee
- Organogram
- Training Program and
- Service Level Agreement

Risk

1.6.1.5 Failure to constitute the above-mentioned IT governance structure may cause misalignment between IT initiatives and the organization's strategic goals, leading to inefficient resource allocation and potentially jeopardizing the achievement of business objectives.

Recommendation

1.6.1.6 Management should prioritize the development of a well-defined IT Governance that aligns with their strategic vision and facilitates the achievement of long-term goals. The establishment of a robust IT Governance framework will ensure that IT investments align with the project's strategic objectives, enhancing transparency, accountability, and efficiency.

Management's Response

1.6.1.7 IT Strategic Plan

- The PMU ICT section, which oversees the ICT infrastructures of the various projects of the MOA, has developed a draft ICT strategic plan working with the Ministry ICT Director for the signature of the Minister (see hard copy)

IT Steering Committee

- The Projects do not set up ICT Steering committees as this is the function of the Main ministry, however the project will work with MOA senior Management in setting up one at the PIU level to address this concern Organogram.

Training Program

- The training activities of the IT unit are always embedded into the overall staff training needs of the respective projects. For example, in 2022, the IFAD PIU incorporated the ICT Specialist training activities for a training in Certified Information System Security Professional (CISSP). As these trainings are incorporated once in a while, into the respective PIUs AWPB, in-house trainings are also conducted for the ICT staff.

Service Level Agreement

- The PMU that oversees the ICT infrastructure of the various PIUs has service agreements with various service providers, such services like Internet Service Provisions (see contract) Website and messaging service hosting (see contract)

Auditor General's Position

1.6.1.8 Management's assertions did not adequately address the issues raised. Management provided no evidence of the draft ICT strategic plan and a comprehensive training and development plan that included proposed training for IT staff of the project. We acknowledge Management submission of an approved copy of a Service Level Agreement for the period under audit after our audit execution. However, Management's submission of documents after our review does not guarantee Management's effective control of document management. Further, we acknowledge Management's assertions to liaise with the relevant authority of the Ministry to establish and operationalize an IT Steering Committee. We will follow-up on the implementation of our recommendations during subsequent audit.

1.6.2 IT Security Management

Criteria

1.6.2.1 DSS05 of COBIT-2019 states that: Protect enterprise information to maintain the level of information security risk acceptable to the enterprise in accordance with the security policy. Establish and maintain information security roles and access privileges. Perform security monitoring.

Observation

1.6.2.2 During the audit, we observed no evidence of an IT Security Management to govern the IT Environment, evidenced by the nonexistence of:

- Approved IT Security Policy
- Installed, license, unexpired and updated Antivirus Program
- Patch Management Process

Risk

1.6.2.3 The absence of IT Security Management in an organization may lead to operational disruptions, legal ramifications, and financial loss. Without proper cybersecurity measures, organizations are vulnerable to cyberattacks that may result in the theft or corruption of sensitive data, leading to operational downtime and loss of productivity.

Recommendation

1.6.2.4 Management should establish and operationalize an IT Security Management to protect the organization assets and ensure the confidentiality, integrity, and availability of data. This process would involve implementing various security measures to guard

against unauthorized access, cyberattacks, and other potential security breaches that could lead to data loss or damage.

Management's Response

1.6.2.5 *Approved IT Security Policy*

The PMU has an approved ICT Policy (a policy on the acceptable usage of ICT Resources. (See hard copy 1.7.2).

- *Installed, licensed, unexpired, and updated Antivirus Program.*
  The PMU computers use licensed Antivirus software for both servers and client computers.
- *Patch Management Process.*

Auditor General's Position

1.6.2.6 Management did not provide copy of installed, license, unexpired and updated Antivirus Program for audit purposes. Management also did not provide evidence of patch management process instituted to optimize IT systems and processes.

1.6.2.7 We acknowledge Management's submission of a draft IT Security policy after our audit execution. However, Management's submission of documents after our review does not guarantee Management's effective control of document management.

1.6.2.8 Going forward, Management should ensure information requested for audit purposes are submitted in a timely manner for review.

1.6.3 Program Change Management

Criteria

1.6.3.1 BAI06.01 of COBIT-2019 states: Evaluate, prioritize and authorize change requests. Evaluate all requests for change to determine the impact on business processes and I&T services, and to assess whether change will adversely affect the operational environment and introduce unacceptable risk. Ensure that changes are logged, prioritized, categorized, assessed, authorized, planned and scheduled.

Observation

1.6.3.2 During the audit, we observed no evidence of program change management to safely implement IT solutions in line with the agreed expectations and outcomes of change management processes, evidenced by the non-existence of:

- Documentation and approval processes to upgrades made to applications/ systems.
- Formal change request documentation completed indicating the change to be made and the reasons for changes to an application/ system.

Risk

1.6.3.3 The absence of a structured program change management process may lead to potential for unauthorized changes and the lack of traceability for modifications made to systems or applications.

Recommendation

1.6.3.4 Management should develop and operationalize a robust change management program which includes comprehensive documentation and approval processes for upgrades, patches, and reviewed before implementation. Implementing these steps can help in aligning changes with organizational policy and maintaining the integrity of the IT infrastructure.

Management Response

1.6.3.5 *Management takes due note of this recommendation and has taken a step by sharing with the MOA ICT Director draft change plan for approval that can be used by the PMU. This will ensure that change requests, approvals, and risk analysis are carried out for internal control purposes. (See attached draft plan 1.7.3)*

Auditor General's Position

1.6.3.6 We acknowledge Management's acceptance of our finding and recommendation. We will follow-up on the implementation of our recommendation during subsequent audit.

1.6.4 Physical Access Control

Criteria

1.6.4.1 DSS05.05 of COBIT-2019 states, Manage physical access to I&T assets. Define and implement procedures (including emergency procedures) to grant, limit and revoke access to premises, buildings and areas, according to business need. Access to premises, buildings and areas should be justified, authorized, logged and monitored. This requirement applies to all persons entering the premises, including staff, temporary staff, clients, vendors, visitors or any other third party.

Observation

1.6.4.2 During the audit, we observed no evidence of physical access controls to protect IT assets, evidenced by the non-existence of:

- Establishment of policy that cover physical access to IT Environments

Risk

1.6.4.3 The absence of physical access control may lead to unauthorized entry, theft, vandalism, or even compromise of sensitive information.

Recommendation

1.6.4.4 Management should develop and operationalize a physical access control policy to protect IT assets.

Management's Response

1.6.4.5 *Management takes due note of the absence of a written policy on Physical access to the PMU building/ facilities. The PMU IT facility does carry out a records system to give an account of who accesses our data center (See attached copy of log sheet 1.7.4).The data center is physically protected with a steel door that has a 7-click locking system, with the ICT Specialist and IT Assistant only allowed to access for switching off and on the stems, as well as for data backups. Management is working assiduously in setting up a biometric access system for the datacenter (Photo of steel door)*

Auditor General's Position

1.6.4.6 We acknowledge Management's acceptance of our finding and recommendation. We will follow-up on the implementation of our recommendation during subsequent audit.

2 STATUSES ON THE IMPLEMENTATION OF PRIOR YEAR AUDIT RECOMMENDATION

Recommendations conveyed during financial statement audit of **Building Climate Resilience Project (BCRP)** for the fiscal period ended Dec 31, 2022 are yet to be implemented and implemented by Management of the PIU as indicated in the Table below:

Prior-year audit matters not implemented

No.	Findings	Description of Recommendation	Source (paragraphs)	Management's Response	Auditor General's Position	Status of recommendation	Activities performed	Outstanding activities
1	Non-Preparation of Monthly Budget Monitoring Statement.	Management should ensure that Budget Monitoring Statement are prepared on a monthly basis. Gaps identified should inform future emphasis on income receipt and reallocation of expenditure disbursements. Evidence of the Monthly Budget Monitoring Statement should be	1.1.1 1.1.1.5 1.1.1.6	1.1.1.7 Management do prepare budget monitoring report quarterly along with Interim Financial Report (IFR). However, Management take note and will going forward ensure that Monthly budget monitoring statement is prepared and documented.	1.1.1.8 We acknowledge Management's acceptance of our finding and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.	Not implemented	Review prior year recommendation to current	incomplete

No.	Findings	Description of Recommendation	Source (paragraphs)	Management's Response	Auditor General's Position	Status of recommendation	Activities performed	Outstanding activities
		adequately documented and filed to facilitate future review.						
2	Non-Preparation of Monthly Statement of Supplies	Management should develop at least an excel based or an automated inventory management system to facilitate and ensure accurate records of inventories such as purchases, distribution, current stock balances, stock-out levels and etc. Management should ensure that periodic	1.1.2 1.1.2.6 1.1.2.7	1.1.2.8 Stationery and supplies purchased are immediately expensed; however, Stock cards are maintained in the store room to monitor the flow of receipt and issuance of stationery/supplies with monthly report prepared in excel.	1.1.2.9 Management's assertion does not adequately address the issues raised. Further, Management's assertions were not supported by adequate documentation. Management did not submit the monthly statement of supply as referred to in its assertion. Therefore, we maintain our	Partially completed	Review prior year recommendation to current	Pending

No.	Findings	Description of Recommendation	Source (paragraphs)	Management's Response	Auditor General's Position	Status of recommendation	Activities performed	Outstanding activities
		stock taking of inventories are conducted and appropriate adjustments, where applicable, are made to support the inventory balances in inventory management system. Evidence of periodic stock taking report should be adequately documented and filed to facilitate future review.			findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.			
3	Irregularities Associated with Receipts and Storage of	Management should initiate at least an excel based	1.1.3 1.1.3.6 1.1.3.7 1.1.3.8	1.1.3.10 Recommendation noted. There was no	1.1.3.11 We acknowledge Management's	Not implemented	Review prior year recommendation to current	incomplete

No.	Findings	Description of Recommendation	Source (paragraphs)	Management's Response	Auditor General's Position	Status of recommendation	Activities performed	Outstanding activities
	Supplies	inventory management system to facilitate and ensure accurate records of inventories such as; purchases, distribution, current stock balance, reordering level, stock-out level etc. Management should perform periodic physical verification of inventory and review of systems and records. Appropriate adjustments should be made	1.1.3.9	allocation for such position in the project design. However, management will present said recommendation to Authority for redress.	acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.			

No.	Findings	Description of Recommendation	Source (paragraphs)	Management's Response	Auditor General's Position	Status of recommendation	Activities performed	Outstanding activities
		where applicable. All inventory records including records of stock takes, should be adequately documented and filed to facilitate future review. Management should facilitate the hiring of an Administrative Assistant to manage the activities of the storeroom, as required by the Finance and Administrative Procedure Manual.						

No.	Findings	Description of Recommendation	Source (paragraphs)	Management's Response	Auditor General's Position	Status of recommendation	Activities performed	Outstanding activities
4	Lack of Progress Report (M&E Officer)	Management should ensure proper coordination, monitoring and evaluation are implemented during the execution of the project. Management should ensure that the M&E Officer prepares progress reports on a timely basis. Evidence of Monitoring and Evaluation report should be adequately documented and filed to facilitate future review.	1.1.4 1.1.4.6 1.1.4.7	1.1.4.8 Management do prepare budget monitoring report quarterly along with Interim Financial Report (IFR). Going forward, Management will ensure that Monthly budget monitoring statement is prepared and documented..	1.1.4.9 Management's assertion did not address the issue raised. In the absence of periodic Monitoring and Evaluation report on the project activities, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.	Partially completed	Review prior year recommendation to current	Pending

No.	Findings	Description of Recommendation	Source (paragraphs)	Management's Response	Auditor General's Position	Status of recommendation	Activities performed	Outstanding activities
5	No Risk Assessment Policy and Process	Management should establish a risk management policy that identifies strategies for mitigating internal and external risks that may impact the achievement of the entity's objectives. Subsequently, Management should facilitate the conduct of periodic risk assessment and take corrective action for gaps identified.	1.2.1 1.2.1.5 1.2.1.6 1.2.1.7	1.2.1.8 Recommendation noted. Risk assessment process is currently on going. The PIU has responded to the risk assessment questionnaires issued by the Internal Auditor in conjunction with the Ministry of Agriculture Internal Audit Director and report pending.	1.2.1.9 We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.	Not implemented	Review prior year recommendation to current	incomplete

No.	Findings	Description of Recommendation	Source (paragraphs)	Management's Response	Auditor General's Position	Status of recommendation	Activities performed	Outstanding activities
		Periodic Risk Assessment reports should be adequately documented and filed to facilitate future review.						
6	Lack of IT Strategic committee	Management should ensure that the IT Strategic Committee is functional, evidenced by documentation of meeting minutes and periodic reports.	1.2.2 1.2.2.6	1.2.2.7 Recommendation noted. Management will ensure that IT strategic committee is setup and functional.	1.2.2.8 We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.	Not implemented	Review prior year recommendation to current	incomplete
7	Unapproved IT Strategic Plan	Management should establish an IT Strategic plan at the Board level in	1.2.3 1.2.3.6	1.2.3.7 Recommendation noted. Management will ensure that an	1.2.3.8 We acknowledge Management's acceptance of our findings and	Not implemented	Review prior year recommendation to current	incomplete

No.	Findings	Description of Recommendation	Source (paragraphs)	Management's Response	Auditor General's Position	Status of recommendation	Activities performed	Outstanding activities
		order to create a coherent strategy, give a clear direction and govern the Information Technology Unit.		IT Strategic plan is prepared with clear direction to govern the information Technology Unit.	recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.			
8	Non-existent IT Steering Committee	Management should establish a functional IT steering committee evidence by documentation of meeting minutes and periodic reports.	1.2.4 1.2.4.4	1.2.4.5 Recommendation noted. Management will ensure that an IT Steering Committee is setup.	1.2.4.6 We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.	Not implemented	Review prior year recommendation to current	incomplete
9	No Environmental Control Policy	Management should develop, approve and	1.2.7 1.2.7.5 1.2.7.6	1.2.7.7 Recommendation noted.	1.2.7.8 We acknowledge Management's	Not implemented	Review prior year recommendation to current	incomplete

No.	Findings	Description of Recommendation	Source (paragraphs)	Management's Response	Auditor General's Position	Status of recommendation	Activities performed	Outstanding activities
		operationalize an environmental control policy in order to maintain measures for protection against environmental factors. Management should install specialized equipment and devices to monitor and control the environment as well as protect information technology assets against abrupt disruptions and safeguard the		Management will ensure to develop, approve an operationalized environmental policy. Additionally, Management will also ensure that specialized equipment and devices to monitor and control the environment to protect information technology assets against abrupt disruptions and safeguard the institution's personnel.	acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.			

No.	Findings	Description of Recommendation	Source (paragraphs)	Management's Response	Auditor General's Position	Status of recommendation	Activities performed	Outstanding activities
		institution's personnel.						
10	No Documented and Tested Emergency Procedure	Management should document, apply and test emergency procedures to safeguard IT assets.	1.2.8 1.2.8.4	1.2.8.5 Recommendation noted. Management will ensure that emergency procedures to safeguard IT assets and personnel are documented.	1.2.8.6 We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our recommendations during subsequent audit.	Not implemented	Review prior year recommendation to current	incomplete
11	No user management standard and procedure in place	Management should develop, approve and operationalize a sound user management framework, policy and procedures in order to	1.2.9 1.2.9.5	1.2.9.6 Recommendation noted. Management will ensure to develop, approve and operationalized a sound user management	1.2.9.7 We acknowledge Management's acceptance of our findings and recommendations. We will follow-up on the implementation of our	Not implemented	Review prior year recommendation to current	incomplete

No.	Findings	Description of Recommendation	Source (paragraphs)	Management's Response	Auditor General's Position	Status of recommendation	Activities performed	Outstanding activities
		minimize errors, fraud and loss of data confidentiality, integrity and availability.		framework, policy and procedures in order to minimize errors, fraud and loss of data confidentiality, integrity and availability.	recommendations during subsequent audit.			
12	Users access rights are not review	Management should Maintain user access rights in accordance with business function, process requirements and security policies. Align the management of identities and access rights to the defined	1.2.10 1.2.10.5	1.2.10.7 Management do maintain access right in accordance with business function, process requirements and security policies. Access rights are reviewed and granted periodically	1.2.10.8 Management's assertions are not supported by documentary evidence. Therefore, we maintain our findings and recommendations. We will follow-up on the implementation of our recommendation	Not implemented	Review prior year recommendation to current	incomplete

No.	Findings	Description of Recommendation	Source (paragraphs)	Management's Response	Auditor General's Position	Status of recommendation	Activities performed	Outstanding activities
		roles and responsibilities, based on least-privilege on a need-to-know basis, in order to avoid unauthorize access to the Tompro financial system.		when there is a need for change. Additionally, there is no unauthorized access to the Tompro financial system except by permission.	s during subsequent audit.			