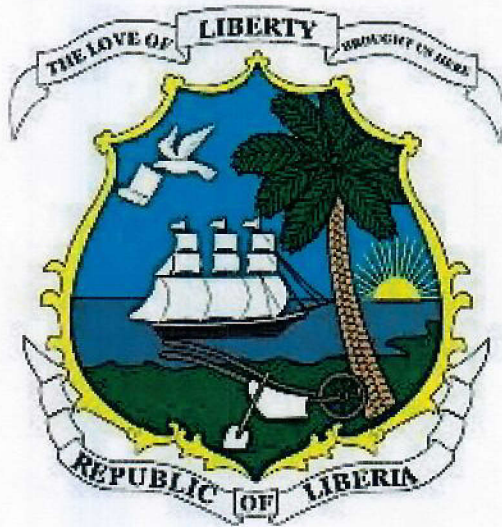




Promoting Accountability of Public Resources

AUDITOR GENERAL'S REPORT



**On the Financial Statement Audit of the
Liberia Social Safety Net Project (LSSNP)**

For the fiscal period ended December 31, 2022

LSSNP: Grant No. IDA 57910, TF A6428 & TFB4346

June 2023

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

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ACRONYMS USED

Acronyms/Abbreviations/Symbol	Meaning
AFP	Audit Focal Person
AG	Auditor General
CGMA	Certified Global Management Accountant
CFC	Certified Financial Consultant
CFE	Certified Fraud Examiner
CFIP	Certified Forensic Investigative Professional
CFC	Certified Financial Consultant
CPA	Certified Public Accountant
DMA	Deputy Minister for Administration
F/S	Financial Statements
GoL	Government of Liberia
INTOSAI	International Organization of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
ISSAI	International Standards of Supreme Audit Institutions
LSSNP	Liberia Social Safety Net Project
MGCSP	Ministry of Gender, Children and Social Protection
No.	Number
PCO	Project Coordination Office
PFM	Public Financial Management
PIM	Project Implementation Manual
POM	Project Operational Manual
PPC	Public Procurement & Concessions
QPR	Quarterly Progress Report
SOE	Statement of Expenditures
ToR	Term of Reference
USD/US\$	United States Dollars

Republic of Liberia



AUDITOR GENERAL'S REPORT

Hon. Piso Saydee Tarr

Minister

Ministry of Gender, Children and Social Protection
Republic of Liberia

June 30, 2023

Dear Hon. Tarr:

RE: AUDITOR GENERAL'S REPORT ON THE FINANCIAL STATEMENT AUDIT OF THE LIBERIA SOCIAL SAFETY NET PROJECT (LSSNP) FOR THE YEAR ENDED DECEMBER 31, 2022.

Opinion

We have audited the accompanying financial statements of the Liberia Social Safety Net Project (LSSNP) as at December 31, 2022 financed by IDA Grant No. IDA 57910, TF A6428 & TFB4346 which comprises the Statement of Receipts and Payments, Statement of Comparison of Budget and Actual Amounts and a summary of other accounting policies and explanatory notes.

In our opinion, the accompanying financial statements present fairly, in all material respects, the Statement of Receipts and Payments as at December 31, 2022, Statement of Comparison of Budget and Actual Amounts and a summary of other accounting policies and other explanatory notes for the fiscal period then ended in accordance with International Public Sector Accounting Standards (IPSAS) Cash Basis of Accounting.

Basis for opinion

We conducted our audit in accordance with 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 Social Safety Net (LSSNP) Project Implementation Unit (PIU) of the Ministry of Gender, Children and Social Protection 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 2023

GENERAL INFORMATION

PROJECT MANAGEMENT TEAM

Project Financial Management Unit:	Papin Daniels Unit Director Project Financial Management Unit (PFMU)
	Leroy 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
Implementation Unit:	Aurelius Butler Project Coordinator Liberia Social Safety Nets Project (LSSNP)
Project Location:	Ministry of Gender & Social Protection Capital Bye-pass Liberia
Bankers:	Central Bank of Liberia, Ecobank Liberia Limited & GT Bank Liberia Limited

**Statement of Receipts and Payments
For the Fiscal Period Ended Dec. 31, 2022**

	Note	Jan-Dec. 22 US\$	FY 2020/2021 US\$
Receipt			
IDA Grant	4	5,809,947	6,706,652
Total Receipt		5,809,947	6,706,652
Payment			
Strengthening the national social safety net delivery system	5	1,023,161	873,957
Cash transfer to extremely poor and food insecure households	6 7	2,272,825	843,062
Project Management and Administration		710,303	601,047
Total Payments		4,006,289	2,318,066
Excess of Receipts over payments/(Payments over Receipts)		1,803,658	4,388,586
Fund Balance at the beginning of the year		2,363,490	1,112,233
Cumulative fund balance at the end of the year		4,167,148	5,500,819

The notes on pages 6 to 10 are integral part of these project financial reports

**Statement of Comparison of Budget and Actual Amounts
For the Fiscal Year Ended December 31, 2022**

	Project Allocation	Annual Budget	Actual Expenditure	Variance	Percentage Variance
	US\$	US\$	US\$	US\$	(%)
Activities with in components					
Strengthening the National Social Safety Net Delivery System	3,025,087	1,765,335	1,024,952	740,383	41.94
Cash transfer to extremely poor and food insecure Households	10,500,000	4,957,393	4,786,177	171,216	3.45
Project Management and Administration	3,612,029	1,484,452	1,332,512	151,940	10.24
Total	17,137,117	8,207,180	7,143,641	1,063,539	12.96

The notes on pages 6 to 10 are integral part of these project financial reports

**Statement of Fund Balance and Cash Status
For the Fiscal Year Ended December 31, 2022**

	FY Jan.-Dec. 22 US\$	FY 2020/2021 US\$
A. FUND BALANCE		
Balance of project fund	2,363,490	1,112,233
Add: Total Receipts during the period	5,809,947	6,706,652
Total fund available for operations	<u>8,173,437</u>	<u>7,818,885</u>
Less: Total payments during the period	4,006,289	2,318,067
Balance as at December 31, 2022	<u><u>4,167,148</u></u>	<u><u>5,500,818</u></u>
 B. CASH STATUS		
Cash on hand	-	-
Cash in bank	4,167,148	5,500,818
 Total cash on hand and in bank	<u><u>4,167,148</u></u>	<u><u>5,500,818</u></u>
 Different between A and B	-	-
-		

The notes on pages 6 to 10 are integral part of these project financial reports

**Statement of Financial Position
For the Fiscal Year Ended June 30, 2021**

	FY Jan.- Dec. 2022 US\$	FY 2020/2021 US\$
Assets:		
Cash and cash equivalent	4,167,148	5,500,818
Total Assets	4,167,148	5,500,818
Fund Balance		
Grants	4,167,148	5,500,818
Accumulated Fund Balance	<u><u>4,167,148</u></u>	<u><u>5,500,818</u></u>

[Signature]
June 30, 2023

Papin Daniel, Jr.
**Director, Donor Financed Projects
PFMU, MFDP**

[Signature]

Aurelius Butler
**Nat'l Social Protection Coord-LSSNP
MoGCSP**

The notes on pages 6 to 10 are integral part of these project financial reports



NOTES TO FINANCIAL STATEMENTS

1. Background and Information of the Project

With support from the International Development Association and the Trust Fund (USAID Financing); the Liberia Social Safety Nets (LSSN)-project is to establish the key building blocks of a basic National Safety Net Delivery System and provide income support to households who are both extremely poor and food insecure in the Republic of Liberia. The LSSNP was approved by the World Bank on April 28, 2016 with a grant of US\$18,900,000 (Eighteen million, nine hundred thousand United States Dollars).

The aim of the Project is:

- To improve efficiency, enhance capacity, and strengthen the National SSN system in Liberia through the development of the basic building blocks of a safety net delivery system
- To provide income support to about 10,000 extremely poor and food insecure households in Liberia through regular cash transfers and accompanying measures.
- To finance project management and capacity building of the SSNP implemented by the Ministry of Gender, Children, and Social Protection or MGCSPP

2. Use of Grant Proceeds

The table below sets out the category 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 express in US\$ to be financed	% of expenditure
Strengthening of the national social safety net system	6,000,000	100
Cash transfer to extremely poor and food insecure households	10,800,000	100
Project Management and capacity building	2,100,000	100
Total	<u>18,900,000</u>	

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

	% of expenditure
IDA Grant	100
Total	<u>100</u>

3. Significant Accounting Policies

Basis of Accounting

The financial statements have been prepared in accordance with the Cash Basis International Public Sector Accounting Standards (IPSAS) as adopted by the Government of Liberia and in the manner required by the Project Grant Agreement as required by the World Bank's Operating Policies and Procedures and PFMU's Financial Management Manual.

Reporting Currency

The 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 the transaction(s). Balances denominated in other currencies are translated into United States Dollars at the rate of exchange prevailing on the reporting date.

Notes to the Financial Statements (continued)

	Jan.-Dec. 22 US\$	FY 2020/2021 US\$
Loan Receipts		
Loan from donors for the LSSNP is recognized and reported on the statement of receipts and payments as an income when received and held in a bank account called designated income account for disbursement purpose. All payments for the LSSNP 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		
4. Grant Receipt:		
IDA 57910	4,145,293	2,306,396
TF-A6428	1,436,154	1,128,756
TFB4346	228,500	3,271,500
Sub total	5,809,947	6,706,652
5.Strengthening the national social safety net delivery system:		

Strengthening the operational aspects of the LSSNP	988,574	
Strengthening the operations of LSSN IDA	34,587	873,957
Sub total	1,023,161	873,957
6.Cash transfer to extremely poor and food in secured household:		
	2,260,550	
Cash transfer to extremely poor and food in secured Accompanying Measures	12,275	843,062
Sub total	2,272,825	843,062
7.Project Management and Administration:		
Human resource (LSSN Secretarial, (SCT & SR)	698,943	548,685
Capacity building and coordination (SCT &SR)	11,360	52,363
Capacity building and coordination (SCT &SR) LACC	-	-
Sub total	710,303	601,048
8.Cash receipt through grant and other sources		
IDA grant	5,809,947	6,706,652
9.Cash paid		
Strengthening the national social safety net delivery system	1,023,161	873,957
Cash transfer to extremely poor and food in secured households	2,272,825	843,062
Project management & Administration	710,303	601,047
Total payments	4,006,289	2,318,066

**Project Designated Account Statement
For the Fiscal Year Ended December 31, 2022**

Account No.	1602003361/1502023908
Account Type:	Current Accounts
Depository Bank:	Central Bank of Liberia
Address	Ashmun Street Monrovia, Liberia
Account No.	0321617002000100(Eco Bank Ltd)
Account Type:	13 th Street, Sinkor Current Accounts
Depository Bank:	Ecobank Liberia Ltd
Address	13 th Street, Sinkor Monrovia, Liberia
Account No.	6101741622/6101741632
Account Type:	Current Accounts
Depository Bank:	Ecobank Liberia Ltd
Address	11 th Street, Sinkor Monrovia, Liberia

	FY Jan.-Dec. 22	FY 2020/2021 US\$
Total Grant Received	5,809,947	6,706,652
Total Grant Income Reported	5,809,947	6,706,652
Amount spent	4,006,289	2,318,066
Add balance at the beginning of the year	2,363,490	1,112,234
Balance as at June 30	4,167,148	5,500,820
	-	-
Designated A/C-GT Bank	-	178,857
	-	-
Destinated A/C – IDA57910_ ECObank	2,938,046	4,506,438
Designated A/C-TFA6428_ ECObank	1,229,012	814,522
Cash on Hand (Petty Cash)	90	1,000
Total	4,167,148	5,500,818