

AUDITORS' REPORT
ON THE FINANCIAL STATEMENTS OF THE
RURAL ROAD EMERGENCY MAINTENANCE
PROJECT
IMPLEMENTED BY THE
MINISTRY OF PUBLIC WORKS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**AUDITORS' REPORT ON THE
RURAL ROAD EMERGENCY MAINTENANCE PROJECT (RREMP)
FOR THE YEAR ENDED JUNE 30, 2016**

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**AUDITORS' REPORT ON THE
RURAL ROAD EMERGENCY MAINTENANCE PROJECT (RREMP)
FOR THE YEAR ENDED JUNE 30, 2016**

PROJECT MANAGEMENT

**IMPLEMENTATION UNIT: INFRASTRUCTURE IMPLEMENTATION UNIT
MINISTRY OF PUBLIC WORKS**

**FINANCIAL MANAGEMENT: MINISTRY OF FINANCE & DEVELOPMENT PLANNING
PROJECT FINANCIAL MANAGEMENT UNIT**

PROJECT OFFICIALS:

Implementation Unit,

1. Mr. Emmanuel Baker, Program Manager
2. Mr. V. Larry Reeves, Procurement Manager

Project Financial Management Unit, Ministry of Finance & Development Planning

1. Dr. Christopher K. Sokpor, Unit Manager
2. Dr. Hussein Salia, Senior Project Accountant

AUDITORS

**MGI MONBO & COMPANY
Certified Public Accountants
2nd Floor King's Building
Corner Broad & Gurley Streets
Monrovia, Liberia**



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Mr. Emmanuel K. Baker
Program Manager
Infrastructure Implementation Unit
Ministry of Public Works
Monrovia, Liberia

Dear Sir:

REF: AUDITORS' REPORT

We have audited the accompanying balance sheet of the Rural Road Emergency Maintenance Project (RREMP) under the International Development Association Grant and the related statements of fund receipts and disbursements, cash flows for the period ended June 30, 2016 and a summary of significant accounting policies and explanatory notes on pages 9-11.

Management's Responsibility

These financial statements preparation and fair presentation in accordance with International Public Sector Accounting Standards (IPSAS), adopted by the Government of Liberia and with relevant provisions of the Project Grant Agreement is the responsibility of the management of the Project Implementation Unit of the Rural Road Emergency Maintenance Project (RREMP) and the Project Financial Management Unit of the Ministry of Finance & Development Planning. These responsibilities include; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing promulgated by the International Federation of Accountants and International Organization of Supreme Audit Institution (INTOSA). These Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the project financial statements are free of material misstatement.

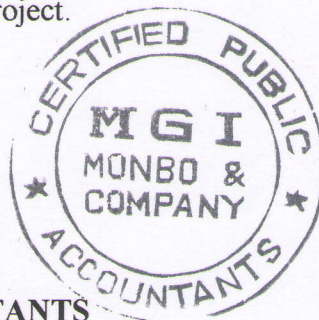
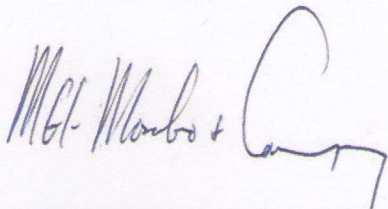
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the project financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the project financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the project financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also include evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management as well as evaluating the overall presentation of the project financial statements.

**AUDITORS' REPORT ON THE
RURAL ROAD EMERGENCY MAINTENANCE PROJECT (RREMP)
FOR THE YEAR ENDED JUNE 30, 2016**

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Opinion

In our opinion, proper books of accounts have been maintained and the financial statements referred to in the first paragraph above present fairly in all material respects, the financial position of the Rural Road Emergency Maintenance Project (RREMP) as of June 30, 2016, the Receipts and Disbursements and cash flows for the period ended are in conformity with the Cash Basis International Public Sector Accounting Standard (IPSAS) promulgated by the International Federation of Accountants (IFAC), adopted by the Government of Liberia and IDA guidelines stipulated in the agreement for the project.



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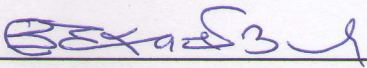
November 17, 2016


**AUDITORS' REPORT ON THE
RURAL ROAD EMERGENCY MAINTENANCE PROJECT (RREMP)
FOR THE YEAR ENDED JUNE 30, 2016**

**Rural Road Emergency Maintenance Project
Balance Sheet
As at June 30, 2016**

ASSETS EMPLOYED	2016
CURRENT ASSETS	US\$
CASH AND BANK	85,201.02
TOTAL ASSETS	85,201.02

FUND BALANCES	
ACCUMULATED FUNDS BALANCE	85,201.02
TOTAL FUNDS BALANCE	85,201.02


PROGRAM MANAGER, IIU
MINISTRY OF PUBLIC WORKS


UNIT MANAGER, PFMU
MINISTRY OF FINANCE &
DEVELOPMENT PLANNING

DATE: Dec. 16, 2016

DATE: 12/12/2016

NOTES ON PAGES 9-11 FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

**AUDITORS' REPORT ON THE
RURAL ROAD EMERGENCY MAINTENANCE PROJECT (RREMP)
FOR THE YEAR ENDED JUNE 30, 2016**

**Rural Road Emergency Maintenance Project
Fund Receipts and Disbursements Statement
For the 16 Months ended June 30, 2016**

	NOTES	2016 US\$
IDA Credit		
Reimbursement	6	150,000.00
Direct Payment	7	<u>765,507.32</u>
Total IDA Credit		<u>915,507.32</u>
 DISBURSEMENTS		
Supply and installation of prefabricated steel bridges	3	314,863.00
Supply and installation of timber road section	4	501,104.80
Incremental operating cost	5	<u>14,338.50</u>
Total Disbursement		<u>830,306.30</u>
 Excess of Receipts over Disbursements		85,201.02
Beginning Balance as at July 1, 2015		-
Accumulated Fund as at June 30, 2016		<u><u>85,201.02</u></u>

NOTES ON PAGES 9-11 FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

**AUDITORS' REPORT ON THE
RURAL ROAD EMERGENCY MAINTENANCE PROJECT (RREMP)
FOR THE YEAR ENDED JUNE 30, 2016**

**Rural Road Emergency Maintenance Project
Cash Flows Statement
For the 16 Months ended June 30, 2016**

	NOTES	2016 US\$
Operating Activities		
Reimbursement	6	150,000.00
Direct Payment	7	765,507.32
Net Operating Activities		<u>915,507.32</u>
Investing Activities		
Supply and installation of prefabricated steel bridges	3	(314,863.00)
Supply and installation of timber road section	4	(501,104.80)
Incremental operating cost	5	(14,338.50)
Net Investing Activities		<u>(830,306.30)</u>
Net Increase/Decrease in Cash Balance		85,201.02
Beginning Balance as at July 1, 2015		<u>-</u>
Net Cash Balance as at June 30, 2016		<u><u>85,201.02</u></u>

NOTES ON PAGES 9-11 FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

**AUDITORS' REPORT ON THE
RURAL ROAD EMERGENCY MAINTENANCE PROJECT (RREMP)
FOR THE YEAR ENDED JUNE 30, 2016**

NOTES TO THE FINANCIAL STATEMENTS

1. *Rural Road Emergency Maintenance Project (RREMP)*

The Government of Liberia has received a grant from the World Bank towards the cost of Rural Roads Emergency Maintenance Project (RREMP). The objective of the Project is to improve access to Ebola response infrastructure by spot improvement of targeted road links to Ebola Treatment Units, Community care centers and forward logistics bases in Lofa County. The main infrastructure consist of Bailey bridges and the timber road Sections which are to be installed in various location in Lofa County in the north of Liberia.

The infrastructure implementation units (IIU) set up within the Ministry of Public Works (MPW), comprising a team of experts under the leadership of a Deputy program Manager, is charged with the overall responsibility of coordinating and implementing the project along with Technical services Department of the Ministry of Public Works.

To oversee the implementation of this Project, the IIU appointed a project coordinator to provide technical and project management inputs. The project coordinator is supported by a project Engineer who will be responsible for the day- to-day on-site supervision/monitoring of the contracts. The project coordinator shall perform his duties in close collaboration with the Technical Services Department of the Ministry of Public Works, Feeder Road Section and the IIU.

2. *Accounting Policies*

The following are the significant accounting policies adopted in the preparation of these financial statements:

- a) **Basis of accounting**
The financial statements have been prepared on the historical cost convention and no procedures have been adopted to reflect either price changes or changes in the general level of inflation.
- b) **Fixed assets**
Fixed assets represent the expenditure incurred in capital works and acquiring property and equipment. All fixed assets have been stated at the actual contracted cost of purchase or development. No depreciation is charged in the financial statements.

**AUDITORS' REPORT ON THE
RURAL ROAD EMERGENCY MAINTENANCE PROJECT (RREMP)
FOR THE YEAR ENDED JUNE 30, 2016**

c) Foreign Currency translations

Transactions in foreign currencies (currencies other than the United States Dollar) are converted at the rate ruling at the date in which the transaction took place. Current assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date and fixed assets at the rate of exchange ruling at the time of acquisition. Gains or losses arising on foreign currency transactions are credited to or charged against recurrent expenditure in the period in which they arise.

d) Grants

Grant is recognized on cash basis and credited to the donor account when received.

**AUDITORS' REPORT ON THE
RURAL ROAD EMERGENCY MAINTENANCE PROJECT (RREMP)
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 3	2016
Supply and installation of prefabricated steel bridges	US\$
Supply and installation of prefabricated steel bridges	314,863.00
TOTAL	<u>314,863.00</u>

NOTE 4	2016
Supply and installation of timber road section	US\$
Supply and installation of timber road section	501,104.80
TOTAL	<u>501,104.80</u>

NOTE 5	2016
Incremental operating cost	US\$
Monitoring/Supervision costs	14,338.50
TOTAL	<u>14,338.50</u>

NOTE 6	2016
Reimbursement	US\$
Central Bank	150,000.00
Total Reimbursement	<u>150,000.00</u>

NOTE 7	2016
Direct Payment	US\$
Central Bank	765,507.32
Total Direct Payment	<u>765,507.32</u>

NOTE 8
No Fixed assets were acquired during the year under review.

**AUDITORS' REPORT ON THE
RURAL ROAD EMERGENCY MAINTENANCE PROJECT (RREMP)
FOR THE YEAR ENDED JUNE 30, 2016**

**Designated Account Reconciliation Statement
For The 12 Months Ended 30 June 2016**

Account Number :1502023496
Depository Bank :Central Bank of Liberia
Address :Ashmun Street
Monrovia, Liberia
IDA Credit Number :TF A0923
Currency : US \$

	30-Jun-16
	US\$
Designated Account Balance brought forward	-
Advances/ Replenishment Transfers from IDA: MOF/RREMP/002	<u>150,000.00</u>
Total Funds in Designated Account	150,000.00
Less: Disbursement during the period	<u>(64,798.98)</u>
 Balance as at June 30, 2016	 <u>85,201.02</u>



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INDEPENDENT AUDITORS' REPORT ON THE DESIGNATED ACCOUNT STATEMENT FOR THE RURAL ROAD EMERGENCY MAINTENANCE PROJECT

We have audited the accompanying project Designated Account Statement of the Rural Road Emergency Maintenance Project financed by the International Development Association Grant as stated in this report for the year ended June 30, 2016.

Management's Responsibility

The Designated Account Statement preparation and the fair presentation of this Statement is the responsibility of the Rural Road Emergency Maintenance Project and the Project Financial Management Unit (PFMU) at the Ministry of Finance & Development Planning, Republic of Liberia. This responsibility includes: designing, implementing, and maintaining internal control relevant to the fair presentation of the Designated Account Statement that is free from all material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies: and making accounting estimates that are reasonable in the circumstances

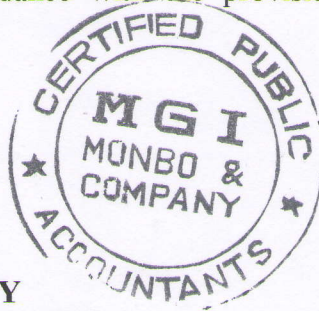
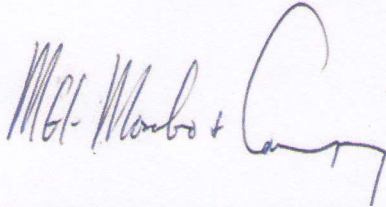
Auditor's Responsibility

Our responsibility is to express an opinion on the Designated Account Statement based on our audit. We conducted our audit in accordance with International Standards on Auditing promulgated by the International Federation of Accountants. These Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the project financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Designated Account Statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Designated Account Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Designated Account Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also include evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management as well as evaluating the overall presentation of the Designated Account Statement.

**AUDITORS' REPORT ON THE
RURAL ROAD EMERGENCY MAINTENANCE PROJECT (RREMP)
FOR THE YEAR ENDED JUNE 30, 2016**

In our opinion, the receipts have been properly accounted for and disbursements were made for the purpose of the project in accordance with the provisions of the International Development Association Grant.



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November 17, 2016



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INDEPENDENT AUDITORS' REPORT ON THE STATEMENT OF EXPENDITURE FOR THE RURAL ROAD EMERGENCY MAINTENANCE PROJECT

We have audited the accompanying project Statement of Expenditure of the Rural Road Emergency Maintenance Project financed by the International Development Association Grant as stated in this report for the year ended June 30, 2016 and obtained all related information required.

Management's Responsibility

The Statement of Expenditure preparation and the fair presentation of this Statement is the responsibility of the Rural Road Emergency Maintenance Project and the Project Financial Management Unit (PFMU) at the Ministry of Finance & Development Planning, Republic of Liberia. This responsibility includes: designing, implementing, and maintaining internal control relevant to the fair presentation of the Statement of Expenditure that is free from all material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies: and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the Statement of Expenditure based on our audit. We conducted our audit in accordance with International Standards on Auditing promulgated by the International Federation of Accountants. These Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the project financial statements are free of material misstatement.

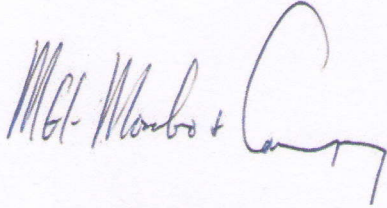
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement of Expenditure. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Statement of Expenditure, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Statement of Expenditure in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also include evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management as well as evaluating the overall presentation of the Statement of Expenditure.

In our opinion, the Statement of Expenditure present fairly the view of the financial transactions of the Rural Road Emergency Maintenance Project for the period ended June 30, 2016 is in accordance with the Cash Basis International Public Sector Accounting Standards (IPSAS), adopted by the Government of Liberia and relevant provision of the Grant Agreement.

**AUDITORS' REPORT ON THE
RURAL ROAD EMERGENCY MAINTENANCE PROJECT (RREMP)
FOR THE YEAR ENDED JUNE 30, 2016**

Additionally, with respect to the Statements of Expenditure (SOEs), sufficient supporting documentations have been maintained in accordance with Cash Basis International Public Sector Accounting Standards Promulgated by the International Federation of Accountants and the requirement of the World Bank guidelines.

The expenditures are eligible under the International Development Association Grant agreement



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November 17, 2016

**AUDITORS' REPORT ON THE
RURAL ROAD EMERGENCY MAINTENANCE PROJECT (RREMP)
FOR THE YEAR ENDED JUNE 30, 2016**

Rural Roads Emergency Maintenance Project July 2015 - June 2016
Schedule of Expenditure Component

NO.	Expenditure Component	Total Amt. Paid (USD)
1	Supply and installation of prefabricated steel bridges	314,863.00
2	Supply and installation of timber road section	501,104.80
3	Incremental operating cost	14,338.50
		<u>830,306.30</u>



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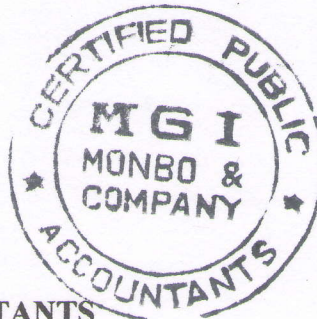
November 17, 2016

Mr. Emmanuel K. Baker
Program Manager
Infrastructure Implementation Unit
Ministry of Public Works
Monrovia, Liberia

Dear Sir:

Ref: Management Letter

As part of our audit, it is our responsibility to report to management our observations and recommendations for improvement. In the audit of the Rural Road Emergency Maintenance Project, matters that could warrant a management letter did not come to our attention as such we did not issue a separate Management Letter report.



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