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AUDITOR'S REPORT
ON THE
FINANCIAL STATEMENTS OF THE
LIBERIA ROAD ASSET MANAGEMENT PROJECT
IMPLEMENTED BY
MINISTRY OF PUBLIC WORKS
FOR THE YEAR ENDED JUNE 30, 2018

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PROJECT MANAGEMENT

IMPLEMENTATION UNIT: MINISTRY OF PUBLIC WORKS
LIBRAM PROJECT

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

PROJECT OFFICIALS:

LIBRAM Liberia Project,

1. Emmanuel K. Baker- Program Manager
2. V. Larry Reeves-Procurement Specialist

Project Financial Management Unit, Ministry of Finance & Development Planning

1. Mr. Papin Daniels, Director, Donor Funded Projects
2. Mr. Leroy Fendor, Senior Project Accountant
3. Mr. Subozu Kollie, Senior Internal Auditor

AUDITORS

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

MGI MONBO & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
Member Firm of MIDSNEL GROUP INTERNATIONAL

Mr. Emmanuel K. Baker
Program Manager
LIBRAM Project
Ministry of Public Works
Monrovia, Liberia

Dear Sir:

AUDITORS' REPORT

Opinion
We have audited the financial statements of **Liberia Road Asset Management Project (LIBRAMP)**, which comprise the statement of financial position as at June 30, 2018, and the statement of fund receipt and disbursement and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of the **Liberia Road Asset Management Project (LIBRAMP)** as at June 30, 2018, and its financial performance and cash flows for the year then ended 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.

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

Information Other than the Financial Statements and Auditor's Report Thereon
Management is responsible for the other information. The other information comprises the project narrative report and deliverables. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is no material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard or a statement that describes any material misstatement.

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Responsibilities of Management and Those Charged with Governance for the Financial Statements

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 Ministry of Public Works 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.

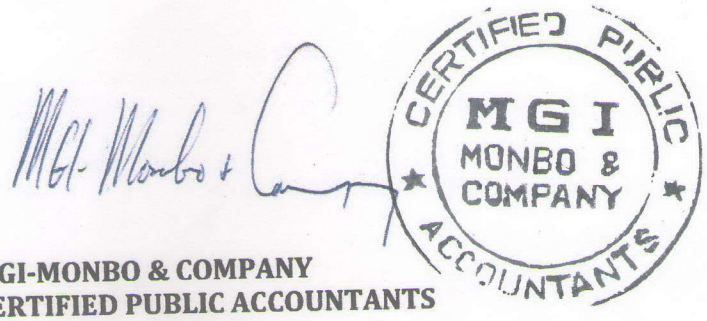
Auditor's Responsibilities for the Audit of the Financial Statements

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 International Standards on Auditing, 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.

As part of an audit in accordance with International Standards on Auditing promulgated by the International Federation of Accountants and International Organization of Supreme Audit Institution (INTOSA), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the project to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the activities within the project to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the project audit. We remain solely responsible for our audit opinion.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



MGI-MONBO & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

August 27, 2018

LIBERIA ROAD ASSET MANAGEMENT PROJECT (LIBRAM)
BALANCE SHEET
AS AT JUNE 30, 2018

	NOTES	JUL. 2017-JUN. 2018 US$	JUL. 2016-JUN. 2017 US$
CURRENT ASSETS			
BANK & CASH BALANCE	3	692,484.77	558,393.97
TOTAL CURRENT ASSETS		**692,484.77**	**558,393.97**
ACCUMULATED FUND BALANCE			
FUND BALANCE AS AT JULY 1, 2017		558,393.97	2,038,205.89
FUND BALANCE AS AT JUNE 30, 2018		134,090.80	(1,479,811.92)
TOTAL ACCUMULATED FUND BALANCE		**692,484.77**	**558,393.97**

PROGRAM MANAGER, IIU
MINISTRY OF PUBLIC WORKS

DIRECTOR, DONOR FUNDED PROJECT, PFMU,
MINISTRY OF FINANCE & DEVELOPMENT PLANNING

NOTES ON PAGES 9-10 FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

LIBERIA ROAD ASSET MANAGEMENT PROJECT (LIBRAM)
STATEMENT OF FUND RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD JULY 1, 2017-JUNE 30, 2018

	NOTES	JUL.2017-JUN.2018	JUL.2016-JUN.2017
FUND RECEIPTS		US$	US$
IDA GRANT	4	13,045,209.60	50,081,248.13
SALE OF BID DOCUMENTS		4,176.00	-
TOTAL FUNDS		**13,049,385.60**	**50,081,248.13**
DISBURSEMENTS			
COMPONENT 1-CIVIL WORKS	5	9,768,567.00	47,620,415.25
COMPONENT 2-CONSULTANCY SERVICES	6	3,146,727.80	3,940,644.80
TOTAL DISBURSEMENT		**12,915,294.80**	**51,561,060.05**
EXCESS OF RECEIPTS OVER DISBURSEMENTS		**134,090.80**	**(1,479,811.92)**
BEGINNING BALANCE AS AT JULY 1, 2017		558,393.97	2,038,205.89
ACCUMULATED FUND BALANCE AS AT JUNE 30, 2018		**692,484.77**	**558,393.97**

NOTES ON PAGES 9-10 FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

LIBERIA ROAD ASSET MANAGEMENT PROJECT(LIBRAM)
STATEMENT OF CASH FLOWS
FOR THE PERIOD JULY 1, 2017-JUNE 30, 2018

	NOTE	JUL. 2017-JUN. 2018 US$	JUL. 2016-JUN. 2017 US$
OPERATING ACTIVITIES			
GRANT RECEIVED	4	13,045,209.60	50,081,248.13
SALE OF BID DOCUMENTS		4,176.00	-
TOTAL OPERATING ACTIVITIES		**13,049,385.60**	**50,081,248.13**
INVESTING ACTIVITIES			
COMPONENT 1-CIVIL WORKS	5	(9,768,567.00)	(47,620,415.25)
COMPONENT 2-CONSULTANCY SERVICES	6	(3,146,727.80)	(3,940,644.80)
TOTAL INVESTING ACTIVITIES		**(12,915,294.80)**	**(51,561,060.05)**
NET (DECREASE) INCREASE IN CASH BALANCE		134,090.80	(1,479,811.92)
BALANCE AS AT BEGINNING JULY 1, 2017		558,393.97	2,038,205.89
BALANCE AS AT JUNE 30, 2018		**692,484.77**	**558,393.97**

NOTES ON PAGES 9-10 FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

1. Liberia road asset management project (LIBRAMP)

The Government of Liberia has secured a Credit from the International Development Association (IDA) of the World Bank (the "Bank") towards the reducing of transportation costs along the corridor from Monrovia to Guinea border and to maintain the road in good condition over 10-year period implemented by Liberia road asset management project (the "project").

The Government of Liberia has designated the Ministry of public works (MPW) to implement the Project through a Project Implementation Unit (PIU), while financial management of the Project has been assigned to the Project Financial Management Unit (PFMU) at the Ministry of Finance & Development Planning.

The Project consists of the following components:

Part A. Component 1-civil works

Part B. Component 2-consultancy services

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. The financial statements were prepared under 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

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.

c) Foreign Currency translations

Transactions in foreign currencies (currencies other than the United States Dollar) are converted at the rate ruling at the date at 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) Credit is recognized on cash basis and credited to the project account when received.

NOTE-3	JUL. 2017-JUN. 2018	JUL. 2016-JUN. 2017
CASH & BANK BALANCE	**US$**	**US$**
CASH IN BANK	676,489.77	558,393.97
PETTY CASH PFMU	5,995.00	-
PETTY CASH IIU	10,000.00	-
TOTAL CASH & BANK BALANCE	**692,484.77**	**558,393.97**

NOTE-4	JUL. 2017-JUN. 2018	JUL. 2016-JUN. 2017
GRANT	**US$**	**US$**
IDA CREDIT: DA RECEIPT IDA 49500	1,000,000.00	2,624,573.25
IDA CREDIT: DA RECEIPT TF 51670	1,996,687.03	935,147.58
IDA CREDIT DIRECT PAYMENT: TF 49500	2,385,702.05	12,714,407.49
IDA CREDIT DIRECT PAYMENT: TF 51670	1,217,283.36	4,140,168.98
IDA CREDIT DIRECT PAYMENT: TF 99588	6,445,537.16	29,666,950.83
TOTAL GRANT	**13,045,209.60**	**50,081,248.13**

NOTE-5	JUL. 2017-JUN. 2018	JUL. 2016-JUN. 2017
COMPONENT 1-CIVIL WORKS	**US$**	**US$**
LOT 1: MONROVIA TO GBARNGA-WORKS	7,337,803.33	31,675,299.07
LOT 2: GBARNGA-GANTA GUINEA BORDER	2,430,763.67	15,945,116.18
SUB COMPENENT 1.2-ELWA TO REDLIGHT ROAD	-	-
TOTAL COMPONENT 1-CIVIL WÓRKS	**9,768,567.00**	**47,620,415.25**

NOTE-6	JUL. 2017-JUN. 2018	JUL. 2016-JUN. 2017
COMPONENT 2-CONSULTANCY SERVICES	**US$**	**US$**
LOT 1: MONITORING SUPERVISION CONSULTANCY	377,900.05	1,079,573.50
LOT 2: MONITORING SUPERVISION CONSULTANCY	520,747.18	819,800.47
SUPERVISION CONSULTANCY FOR ELWA INTERACTION	201,487.50	-
TECHNICAL AUDIT	37,490.25	26,243.17
INSTITUTIONAL CAPACITY BUILDING	802.40	54,878.51
TEAM LEADER/CONTRACT ENGINEER	-	-
PROCUREMENT SPECIALIST	40,000.00	8,000.00
TST	375,132.43	682,364.56
TSG	575,213.51	717,123.80
TIGER PARTY	103,410.00	-
OPERATING EXPENSES-PFMU & IIU	914,544.48	552,660.79
TOTAL COMPONENT 2-CONSULTANCY SERVICES	**3,146,727.80**	**3,940,644.80**

NOTE-7

There were no fixed assets acquired during the period.

DESIGNATED ACCOUNT RECONCILIATION STATEMENT FOR THE YEAR ENDED 30 JUNE 2018

ACCOUNT NUMBER	:0011134701659601
DEPOSITORY BANK	: ECOBANK, LIBERIA LIMITED (LTD)
ADDRESS	: BROAD STREET MONROVIA, LIBERIA
IDA CREDIT NUMBER	:IDA 49500, IDA 51670, TF 99588
CURRENCY	: US$

	JUNE 30, 2018 US$
DESIGNATED ACCOUNT BALANCE AT JULY 1, 2017	**558,393.97**
ADVANCES/REPLENISHMENT TRANSFERS FROM IDA:	
LIBRAMP/MOFDP/042	1,000,000.00
LIBRAMP/MOFDP/012	1,996,687.03
TOTAL	**3,555,081.00**
OTHER RECEIPTS (SALE OF BID DOCUMENTS)	4,176.00
LESS DISBURSEMENTS	(2,866,772.23)
BALANCE AS AT JUNE 30, 2018	**692,484.77**

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INDEPENDENT AUDITOR'S REPORT ON THE DESIGNATED ACCOUNT STATEMENT FOR THE LIBERIA ROAD ASSET MANAGEMENT PROJECT (LIBRAMP)

Opinion

We have audited the accompanying project Designated Account Statement of the Liberia Road Asset Management Project (LIBRAMP) financed by the International Development Association Credit as stated in this report for the period ended June 30, 2018.

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.

Basis for Opinion

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

Management's Responsibility

The Designated Account Statement preparation and the fair presentation of this Statement is the responsibility of 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.

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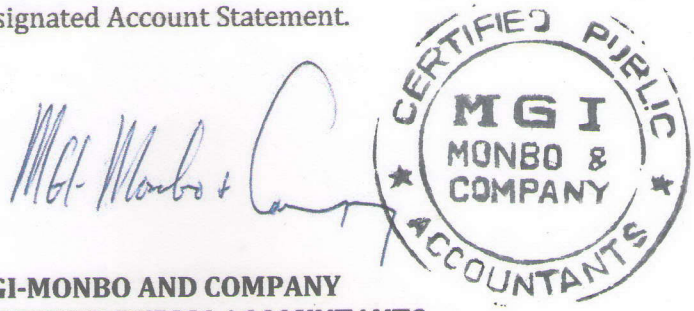
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Designated Account Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Designated Account Statement, whether 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.



MGI-MONBO AND COMPANY
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August 27, 2018

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INDEPENDENT AUDITOR'S REPORT ON THE STATEMENT OF EXPENDITURE FOR THE LIBERIA ROAD ASSET MANAGEMENT (LIBRAMP)

Opinion

We have audited the accompanying project Statement of Expenditure of the Liberia Road Asset Management Project financed by the International Development Association Credit as stated in this report for the year ended June 30, 2018 and obtained all related information required.

In our opinion, the Statement of Expenditure present fairly the view of the financial transactions of the Liberia Road Asset Management Project for the fiscal year ended June 30, 2018 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.

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.

Basis for Opinion

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

Management's Responsibility

The Statement of Expenditure preparation and the fair presentation of this Statement is the responsibility of 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.

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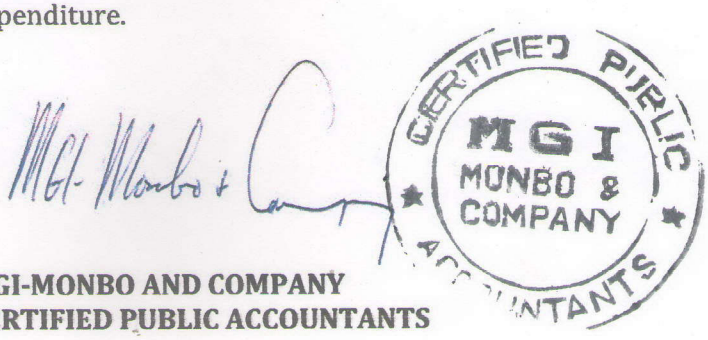
Auditor's Responsibility

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.



MGI-MONBO AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

August 27, 2018

LIBERIA ROAD ASSET MANAGEMENT PROJECT (LIBRAM) JULY 1, 2017-JUNE 30, 2018
SCHEDULE OF EXPENDITURE COMPONENT

NO.	EXPENDITURE COMPONENT	TOTAL AMOUNT PAID (USD)
1	COMPONENT 1-CIVIL WORKS	9,768,567.00
2	COMPONENT 2-CONSULTANCY SERVICES	3,146,727.80
		12,915,294.80