Youth Opportunities Project (YOP)

Implemented by the Government of Liberia through

Ministry of Youth and Sports (MYS),
Liberia Agency for Community Empowerment (LACE) &
Ministry of Gender, Children & Social Protection (MGCSP)

Audit Report and Financial Statements

For the Nine (9) Months Ended June 30, 2017

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4. Statement of Receipts and Payments
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Independent Auditor's Report

TO:    The Donor of the Project
        International Development Association (IDA)

We have audited the Financial Statements of the Youth Opportunities Project (YOP) implemented by the Government of Liberia through the Ministry of Youth and Sports (MYS), the Liberian Agency for Community Empowerment (LACE) and the Ministry of Gender, Children & Social Protection (MGCSP) which comprise the Balance Sheet as at June 30, 2017 and the related statement of Receipts and Payments for the Nine (9) months then ended, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (IPSAS) – Cash Basis and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Our audit was conducted in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatements of the financial statements, 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 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 includes 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 financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of the Youth Opportunities Project implemented by the Government of Liberia through the Ministry of Youth (MYS) and Sports, the Liberian Agency for Community Empowerment (LACE) and the Ministry of Gender, Children & Social Protection (MGCSP) as at June 30, 2017 and the results of its operations for the Nine (9) months ended, as well as for the credit received and expenditures made by the Project for the period ended in accordance with International Public Sector Accounting Standards (IPSAS) – Cash Basis.

March 06, 2018
Monrovia
Youth Opportunities Project
Balance Sheet
As at June 30, 2017

<table>
<thead>
<tr>
<th>Assets</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>494,297</td>
</tr>
<tr>
<td>Total Assets</td>
<td>494,297</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fund Balance</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance brought forward</td>
<td></td>
</tr>
<tr>
<td>Excess of receipt over expenditure</td>
<td>494,297</td>
</tr>
<tr>
<td>Accumulated Fund Balance</td>
<td>494,297</td>
</tr>
</tbody>
</table>

Papin Darjels, CPA, CA
Director Donor Financed Projects
PFMU
Ministry of Finance & Development Planning

Jesse Bengu
National Coordinator
Youth Opportunities Project
Ministry of Youth & Sports
Youth Opportunities Project  
Statement of Receipts and Payments  
For the Nine (9) months ended June 30, 2017

<table>
<thead>
<tr>
<th></th>
<th>Budget US$</th>
<th>Actual US$</th>
<th>Variance US$</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Receipts</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IDA Credit No. 56210</td>
<td>4,007,681</td>
<td>826,786</td>
<td>3,180,895</td>
</tr>
<tr>
<td><strong>Payments</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pre-Employment Social Support &amp; Household Enterprises for Urban Youth</td>
<td>207,542</td>
<td>-</td>
<td>207,542</td>
</tr>
<tr>
<td>Productive Public Works &amp; Life Skills Support</td>
<td>1,644,845</td>
<td>-</td>
<td>1,644,845</td>
</tr>
<tr>
<td>Capacity Building for Cash Transfer Program</td>
<td>885,200</td>
<td>-</td>
<td>885,200</td>
</tr>
<tr>
<td>Project Implementation &amp; Coordination</td>
<td>1,270,095</td>
<td>332,489</td>
<td>937,606</td>
</tr>
<tr>
<td><strong>Total Payments</strong></td>
<td>4,007,681</td>
<td>332,489</td>
<td>3,675,192</td>
</tr>
<tr>
<td><strong>Excess of Receipts over Payments</strong></td>
<td>-</td>
<td>494,297</td>
<td>494,297</td>
</tr>
</tbody>
</table>

The notes on pages 5 to 8 form an integral part of these financial statements
Youth Opportunities Project  
Notes to the Financial Statements  
For the Nine (9) Months Ended June 30, 2017

1. General background of Project Financial Management Unit (PFMU)

1.1 The Government of Liberia has finalized arrangement with various institutional donors to finance a program of rehabilitation and reconstruction of the vital sectors of the economy. The Government has established a Project Financial Management Unit (PFMU) that is responsible for providing centralized accounting, disbursement and reporting services for donor funded projects and programs that are being and shall be executed by the Government of Liberia. The responsibility for the establishment and maintenance of a financial management system for projects and programs rest with the Government of Liberia through the Project Financial Management Unit (PFMU) in the Ministry of Finance and Development Planning and implementing units of the sector ministries implementing the project.

1.2 The Project Financial Management Unit (PFMU) has been established in the Ministry of Finance and Development Planning with appropriate financial management staff to ensure that:

(a) All aspects of financial management required under each project/program are carried out;

(b) payments are processed expeditiously on behalf of the implementing units;

(c) adequate internal controls are in place;

(d) quarterly financial monitoring reports are prepared on a timely basis;

(e) the financial information required by the implementing units are prepared on a regular basis and on time;

(f) the annual financial statements are prepared on a timely basis;

(g) and the annual external audit is completed on time and audit findings and recommendations are implemented expeditiously.
Youth Opportunities Project  
Notes to the Financial Statements  
For the Nine (9) Months Ended June 30, 2017

1.3 General

1.3.1 The “Youth Opportunities Project” is funded 100% by the International Development Association (IDA). The purpose of the credit is to improve access to income generation opportunities for targeted youth and strengthen the Recipient's capacity to implement its cash transfer program.

1.4 The Project Partnership, Objective, and Goals

This reporting period for the Project was implemented by the Ministry of Youth & Sports (MYS), the Liberian Agency for Community Empowerment (LACE) and the Ministry of Gender, Children & Social Protection (MGCSP).

The overall purpose of the project were:

a. To strengthen the capacity of Ministry of Youth & Sports (MYS) for Project management, coordination, monitoring and evaluation, including, inter alia, financial and procurement management;

b. Strengthen the capacity of Liberian Agency for Community Empowerment (LACE) for project management, coordination, monitoring and evaluation, including inter alia, financial and procurement managements, reporting and auditing;

c. Strengthen the capacity of Ministry of Gender, Children & Social Protection (MGCSP) for Project management, coordination, monitoring and evaluation, including inter alia, financial and procurement managements, reporting and auditing.

2. Significant accounting policies

2.1 Basis of accounting and reporting

2.1.1 The financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) – Cash Basis and in the manner required by the Project financing Agreement as required by the foundation and the Project Financial Management Procedures Manual.

2.1.2 International Public Sector Accounting Standards (IPSAS) - Cash Basis recognizes revenue only when cash is received whilst expenditures are recognized when payments are made.
Youth Opportunities Project
Notes to the Financial Statements
For the Nine (9) Months Ended June 30, 2017

2.3 Currency of reporting

2.3.1 These financial statements are expressed in United States Dollars.

Cash and near cash items denominated in other currencies, are translated to United States dollars at the applicable year-end rates. Transactions occurring in other currencies during the year are brought into the books of account at the prevailing rates of exchange on the dates of the respective transactions. Gains or losses arising from foreign currency transactions are reflected in expenditures for the period in which they arise.

2.4 Long-term assets

2.4.1 Long-term assets represent expenditures incurred in capital works and acquisition of property and equipment. These assets are recorded at historical cost and expensed on acquisition. A comprehensive assets register is maintained to account for and monitor the existence of such assets while in continuous use. No depreciation is charged.

2.5 Credit

2.5.1 Credit income is recognized when received and credited to a separate account maintained by the administrator of the Project to which it relates.
Youth Opportunities Project
Votes to the statement of Receipts and Payments
For the Nine (9) months ended June 30, 2017

<table>
<thead>
<tr>
<th>Pre-Employment Social Support &amp; Household Enterprises for Urban Youth</th>
<th>Budget $US</th>
<th>Actuals $US</th>
<th>Variance $US</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-employment Social Support</td>
<td>207,542</td>
<td>-</td>
<td>207,542</td>
</tr>
<tr>
<td>Household Enterprise</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Capacity &amp; Systems Building</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>207,542</td>
<td>-</td>
<td>207,542</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Productive Public Works &amp; Life Skills Support</td>
<td>1,574,445</td>
<td>-</td>
<td>1,574,445</td>
</tr>
<tr>
<td>Capacity &amp; Systems Building</td>
<td>70,400</td>
<td>-</td>
<td>70,400</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,644,845</td>
<td>-</td>
<td>1,644,845</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Capacity Building for Cash Transfer Program</th>
<th>Budget $US</th>
<th>Actuals $US</th>
<th>Variance $US</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capacity Building for Cash Transfer Program</td>
<td>885,200</td>
<td>-</td>
<td>885,200</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>885,200</td>
<td>-</td>
<td>885,200</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project Implementation &amp; Coordination</th>
<th>Budget $US</th>
<th>Actuals $US</th>
<th>Variance $US</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministry of Youth &amp; Sports (MYS)</td>
<td>419,545</td>
<td>321,246</td>
<td>98,299</td>
</tr>
<tr>
<td>Liberia Agency for Community Empowerment (LACE)</td>
<td>373,550</td>
<td>2,520</td>
<td>371,030</td>
</tr>
<tr>
<td>Ministry of Gender, Children &amp; Social Protection (MGCSP)</td>
<td>477,000</td>
<td>8,723</td>
<td>468,277</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,270,095</td>
<td>332,489</td>
<td>937,606</td>
</tr>
</tbody>
</table>
Independent Auditor’s Report on the Special Account Statement

TO: The Donor of the Project
International Development Association (IDA)

We have audited the accompanying Project Special Account Statement of the Youth Opportunities Project (YOP)" implemented by the Government of Liberia through the Ministry of Youth and Sports (MYS), the Liberian Agency for Community Empowerment (LACE) and the Ministry of Gender, Children & Social Protection (MGCSP) for the nine months ended June 30, 2017.

Management’s responsibility for the Special Account Statement
The statement is the responsibility of the Project Financial Management Unit, Ministry of Youth and Sports (MYS), the Liberian Agency for Community Empowerment (LACE) and the Ministry of Gender, Children & Social Protection (MGCSP). This responsibility includes: designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the Special Account Statement that is free from all material misstatements, 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 Project Special Account Statement based on our audit. Our audit was conducted in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, 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 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 includes 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 financial statements.

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

Opinion
In our opinion, the Project Special Account Statement has been prepared, presented and properly accounted for and withdrawals were made for the purpose of the Youth Opportunities Project (YOP) implemented by the Government of Liberia through the Ministry of Youth and Sports (MYS), the Liberian Agency for Community Empowerment (LACE) and the Ministry of Gender, Children & Social Protection (MGCSP) for the Nine (9) months ended June 30, 2017.

Monrovia
March 06, 2018

PKF-Liberia
Accountants & Business advisors
Youth Opportunities Project
Special Account Reconciliation
For the Nine (9) months ended June 30, 2017

<table>
<thead>
<tr>
<th>Amount</th>
<th>$US</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening Balance</td>
<td>826,786</td>
</tr>
<tr>
<td>IDA Credit No. 56210</td>
<td>826,786</td>
</tr>
</tbody>
</table>

**Payments by Category**

- Pre-Employment Social Support & Household Enterprises for Urban Youth -
- Productive Public Works & Life Skills Support -
- Capacity Building for Cash Transfer Program -

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Implementation &amp; Coordination</td>
<td>332,489</td>
</tr>
</tbody>
</table>

**Total Payments** 332,489

**Closing Balance as at June 30, 2017** 494,297
Youth Opportunities Project (YOP)

Implemented by the Government of Liberia through Ministry of Youth and Sports (MYS), Liberia Agency for Community Empowerment (LACE) & Ministry of Gender, Children & Social Protection (MGCSP)

Management Letter Clarence

For the Nine (9) Months Ended June 30, 2017
February 27, 2018

TO: The Donor of the Project
International Development Association (IDA)

Dear Sir:

Management Letter Clearance

In connection with our audit of the Project “Youth Opportunities Project” implemented by the Government of Liberia through the Ministry of Youth and Sports (MYS), the Liberian Agency for Community Empowerment (LACE) and the Ministry of Gender, Children & Social Protection (MGCSP), as at June 30, 2017; we confirm that no matters came to our attention during the course of the audit that we considered significant enough to warrant the issuance of a separate management letter.

PKF-Liberia
Accountants & business advisors