



Compliance Audit Report

Subject Matters: Contract Administration On the Agriculture Sector Rehabilitation Project (ASRP)

For the Fiscal Period ended June 30, 2017



Promoting Accountability of Public Resources

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Auditor General**

Monrovia, Liberia
December, 2017

*Compliance Audit Report
On the Agriculture Sector Rehabilitation Project
for the fiscal Period ended June 30, 2017*

Recipient: Ministry of Agriculture

Standards used in Carrying out the Audit

The audit is based on ISSAI 4000 INTOSAI's international standards for Compliance Audit.

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Introduction (Background)

International Fund for Agricultural Development (IFAD) had agreed to co-finance a project called Agriculture Sector Rehabilitation Project (ASRP) in Liberia. IFAD also approved a grant to the Government of Liberia amounting to Special Drawing Right (SDR) 3.4 million (equivalent to about USD 5 million) with the African Development Bank Group (ADB) to support the Government of Liberia efforts for reducing poverty in the rural areas and improve the food security situation to maintain social stability.

Agriculture Sector Rehabilitation Project (ASRP) will directly reach and benefit 10,000 farming households for a total of about 60,000 individuals in four (4) targeted counties (Grand Cape Mount, Bomi, Montserrado and Grand Bassa) of North-western Liberia.

A Compliance audit of the Administration of Contract for the procurement of works, goods and services for the fiscal period ended June 30, 2017 was conducted in accordance with the provisions of New General Auditing Commission Act of 2014 and ISSAI 4000, INTOSAI's international standards for Compliance Audit.

The Roles and Responsibilities of the Responsible party and the Auditor

Responsible Party

The Administration of Contract for the procurement of goods, works and services in compliance with the Financing Agreement and the IFAD Procurement Guidelines are the responsibility of the IFAD PIU Management at the MoA.

Auditor

Expressing a conclusion on whether the Administration of Contract for the procurement of goods, works and services by the IFAD PIU Management were carried out in compliance with the Financing Agreement and IFAD Procurement Guideline. The audit was conducted in accordance with ISSAI 4000, INTOSAI's international standards for Compliance Audit. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether Management complied with the Financing Agreement and IFAD Procurement Guideline ions.

Subject Matter

The subject matter of the compliance audit:

A. Contract Administration

The ASRP Grant No.DSF 8047 and Loan No.I-898-LR facilities was established to improve food security by increasing a in sustainable manner, the main staple crop rice and cassava as well as ensuring an effective strategic and operational planning and monitoring of the project.

During the period under audit the project disbursed an amount of US \$ 325,842 relations to the procurement of Works, Goods, and Services such as farming input, equipment, vehicles, technical



consultancy, and payment in support of training and studies. The amount disbursed were in support of the annual plan project activities of the farmer/community group and/or CBOs to enable them optimize the use of inputs and building capacity of targeted households at grassroots level.

Audit objective and Scope

B. Contract Administration

The objective of the audit was to establish whether the Management of the Smallholder Tree Crop Revitalization Support Project (STCRSP) complied with the provisions of Project Implementation Unit (PIU) Financial/Administrative Procedure Manual, IFAD Procurement Guidelines and the Terms and Conditions of contracts for the procurement of goods, works and services.

The scope of the audit covers proceeds of the loan facility disbursed in the fiscal period July 1, 2016 to June 30, 2017.

Audit Criteria

The following criteria were used:

- Chapter 5.2 of the Financial/Administrative Procedure Manual – Procurement Planning
- Chapter 5.5 of the Financial/Administrative Procedure Manual – identification and Shortlisting of Suppliers
- Chapter 5.6 of the Financial/Administrative Procedure Manual – Selection of Supplier
- Chapter 5.7 of the Financial/Administrative Procedure Manual – Award and signature of Supplier
- Chapter 5.8 of the Financial/Administrative Procedure Manual – Contract Administration
- Part B and C of the IFAD Procurement Guidelines

Methodology

We performed our audit based on review of documents related to the period under audit, interviewing farmers and Cooperative staff as well as physical verification of project sites.

The audit team obtained 65% of the total cost of procurement of goods, works and services and confirmed whether they were in compliance with IFAD Procurement Guidelines.

The audit criteria were applied to each procurements sample selected. The finding were documented and given to management for comments. On the basis of findings, the conclusion was made on whether the programme complied with the provisions of the PIU's Financial/Administrative Procedure Manual and the IFAD Procurement Guidelines.

Recommendation

During the audit, no finding came to the audit team's attention that warrant reporting.

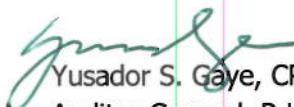
Conclusion

Based on the audit findings, we have concluded that activities relating to the Administration of Contract were conducted, were conducted, in all material respects, in compliance with the established criteria.

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.

Yours faithfully,



Yusador S. Gaye, CPA, CGMA
Auditor General, R.L.