

Office of Senator Amara Mohammed Konneh

Press Statement

For Immediate Release

Response to Allegations Regarding USD 110.8 Million IMF Funds

Monrovia, Liberia – August 1, 2024:

As Chairman of the Senate Public Accounts Committee, it behooves me to address recent false allegations that the Auditor General’s findings from the compliance audit of the Central Bank of Liberia (CBL) covering the period January 2018 to December 2023 somehow involve my tenure as Minister of Finance and Development Planning. Those who oppose our work for no legitimate reason have spread and misinterpreted a snippet of the auditor’s report suggesting that money was illegally withdrawn from the CBL during my tenure. They have used the following observations highlighted in the Auditor General's report on pages 37-38 to support their lies:

1. **General Reserve Account Discrepancy:** The General Reserve Account has been running a negative balance of L\$18 billion since January 2018.
2. **Retroactive Posting of Transactions:** Three entries, totaling US\$110.8 million, were retroactively posted to the General Reserve Account on November 18, 2021, although they should have been included in the December 2020 Financial Reports, in adherence to the CBL’s standard operating procedures.

Contrary to what is being said, these two observations indicate that CBL did not provide supporting documents to explain the timing of these postings in the CBL accounting system. The CBL Management responded that these postings were reclassifications based on “findings and recommendations from a previous external audit.” However, the Auditor General found this explanation unconvincing. See pages 37-38.

It is critical to understand that these transactions are exclusively related to CBL’s internal accounting practices that, in themselves, reflect non-compliance with established policies rather than malfeasance. Providing criminal action or intent would require an investigation, which I believe must be conducted.

Nonetheless, it may be useful to share the following timeline of the budget support we received from the International Monetary Fund (IMF) and offer my perspective on what may have transpired here.

Timeline of IMF Support to Liberia:

- November 2012: IMF approved \$79.9 million for Liberia (2012-2015): <https://www.imf.org/en/News/Articles/2015/09/14/01/49/pr14328>
- 2014-2015: IMF provided an additional \$45.6 million in support during the Ebola crisis: <https://www.imf.org/en/News/Articles/2015/09/14/01/49/pr1569>
- February 2015: IMF approved \$82.1 million for Ebola response comprising the following:
 - A **US\$45.6 million loan** (equivalent to SDR 32.3 million) under RCF, to support the fight against Ebola by covering urgent budgetary and balance of payments needs and strengthening international reserves. <https://www.imf.org/en/News/Articles/2015/09/14/01/49/pr1569>; and
 - A **\$36.5 million grant** in debt relief from the Catastrophe Containment and Relief (CCR) Trust, a newly established trust set up to help low-income countries recover from natural disasters. *This money does not come into the bank* but rather removes some of the Government's debt obligations to the Fund. <https://www.imf.org/en/News/Articles/2015/09/28/04/53/socar022415a>
- **December 2016 - \$17.3 million in** direct budget support was given to the Government of Liberia after the IMF completed its fifth and sixth reviews of its Liberia program. I was not a Minister at the time of this disbursement. [IMF Executive Board Completes Fifth and Sixth ECF Reviews for Liberia, Increases Access, Extends the Arrangement and Approves US\\$37.1 Million Disbursement](#)

The audit findings suggest that the CBL made an error in how it accounted for the ECF loan for budget support on its books. First, the general reserve account is the result of cumulative income and loss (retained earnings) over the period under review. The ECF loans for budget support should not have resided in this account but in the Consolidated Account, in the first place, as they are merely pass-through transactions. This means the net effect of the loans on CBL books should be zero.

The external auditors of CBL caught this error and asked that a prior period adjustment be made to correct it. However, CBL could not make this adjustment in a timely manner, because according to the management response, there was a delay in the start of the 2020 audit. Read CBL's management response on page 38.

The IMF's budget support facilitated significant economic recovery and stability, including and especially during the Ebola Crisis. Those scrutinizing these transactions should do so based on facts and avoid misrepresentations. The allegations linking the CBL's internal compliance issues to my period of service as Finance Minister is an attempt to slow down the substantial reformist work I am doing with colleagues in the Liberian Senate and with the Joint Public Accounts Committee. But we will not be stopped or intimidated. Our work continues unabated, with determination and integrity, to ensure financial accountability and transparency of public resources intended solely to restore good governance. The Joint Public Accounts Committee will resume its

public hearings on the audits on Monday, August 5th at 11 am, in the Joint Chambers of the Legislature.

The Liberian people deserve clarity and truth. We encourage all interested parties to review the audit report in full, to understand the context of its findings. And we hope the media and the public will join us in building and enforcing a robust public financial management framework for Liberia.

End of Statement

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