



MEMORANDUM

DATE: September 26, 2019

TO: USAID/M/OAA/CAS/CAM, Branch Chief, David McNeil

FROM: USAID OIG Africa Regional Office, Audit Director, Robert Mason /s/

SUBJECT: Financial Audit of USAID Resources Managed by United Purpose in Multiple Countries Under Multiple Awards, April 1, 2017, to March 31, 2018 (Report No. 4-000-19-131-R)

This memorandum transmits the final audit report on USAID resources managed by United Purpose under the following awards:

Award Name (Type)	Award Number	Audit Period	Prime Implementer
New Alliance ICT Extension Challenge fund in Senegal (cooperative agreement)	AID-OAA-A-15-00010	April 1, 2017 - March 31, 2018	
Building Sustainable Peace in the Fogni, through Livelihood Development (cooperative agreement) – Senegal closeout	AID-685-A-14-00002	April 1, 2017 – February 28, 2018	
Innovation for Improving Early Grade Reading Activity in Bangladesh (subaward)	AID-388-G-15-00001	April 1, 2017 – March 31, 2018	BRAC
Improving nutrition through community-based approaches (subaward)- Bangladesh	AID-388-F-17-00001	May 15, 2017 – March 31, 2018	Caritas
Addressing the Drivers of Deforestation in Malawi (subaward) closeout	AID-612-TO-14-00003	April 1, 2017 – August 6, 2017	Tetra Tech

United Purpose contracted with the independent certified public accounting firm Sayer Vincent LLP, London, United Kingdom to conduct the audit. The audit firm stated that the contract required the audit firm to perform the audit in accordance with generally accepted government auditing standard (GAGAS).

The audit firm states that it performed its audit in accordance with generally accepted government auditing standards except that the audit firm did not have continuing professional education and external peer review programs that fully satisfies the requirements set forth in GAGAS. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on United Purpose's fund accountability statement; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.¹

The audit objectives were to (1) express an opinion on whether the fund accountability statement for the period audited, was presented fairly, in all material respects; (2) evaluate United Purpose's internal controls; (3) determine whether United Purpose complied with award terms and applicable laws and regulations; (4) review the indirect cost rate; and (5) review the implementation status of prior period recommendations.

To answer the audit objectives, Sayer Vincent LLP (1) audited the fund accountability statement for the award including the budgeted amounts by category and major items and the revenues received from USAID for the period covered by the audit and the costs reported by United Purpose as incurred from April 1, 2017, to March 31, 2018; (2) evaluated the control environment, the adequacy of the accounting systems, and control procedures that pertain to United Purpose's ability to report financial data consistent with the assertions embodied in each account of the fund accountability statement; (3) identified the award terms and pertinent laws and regulations and determined which of those, if not observed, could have a direct and material effect on the fund accountability statement; (4) could not review the indirect cost rate as the schedule was not provided to the auditors; and (5) reviewed the implementation status of prior period recommendations. United Purpose reported expenditures of \$1,310,955 in USAID funds during the audited period.

The audit firm concluded the fund accountability statement presented fairly, in all material respects, program revenues and costs incurred under the award for the period audited except for \$2,675 in ineligible questioned costs. The audit firm did not report any material weaknesses in internal control or any instances of material noncompliance. Since the questioned costs did not meet OIG's established threshold of \$25,000 for making a recommendation, we are not making a recommendation. Nevertheless, we suggest that USAID/M/OAA/CAS/CAM determine the allowability of the \$2,675 in questioned costs and recover any amount determined to be unallowable. In addition, we suggest that USAID/M/OAA/CAS/CAM determine if the recipient addressed the four instances of immaterial noncompliance noted in the report.

During our desk review, we noted several minor issues which the audit firm will need to address in future audit reports. We presented these issues in a memo to the controller, dated September 26, 2019.

¹ We reviewed the audit firm's report for conformity with professional reporting standards. Our desk reviews are typically performed to identify any items needing clarification or issues requiring management attention. Desk reviews are limited to review of the audit report itself and excludes review of the auditor's supporting working papers; they are not designed to enable us to directly evaluate the quality of the audit performed.

Accordingly we make no recommendations.

We appreciate the assistance extended during the engagement.

OIG does not routinely distribute independent public accounting reports beyond the immediate addressees because a high percentage of these reports contain information restricted from release under the Trade Secrets Act, 18 U.S.C. 1905 and Freedom of Information Act Exemption Four, 5 U.S.C. 552(b)(4) (“commercial or financial information obtained from a person that is privileged or confidential”).