



OFFICE OF INSPECTOR GENERAL U.S. Agency for International Development

MEMORANDUM

DATE: November 23, 2022

TO: USAID/West Africa, Regional Mission Director, Jo Lesser-Oltheten

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

SUBJECT: Financial Audit of USAID Resources Managed by West and Central African Council for Agricultural Research and Development in Multiple Countries Under Cooperative Agreement AID-624-A-17-00002, January 1 to December 31, 2021 (Report No. 4-624-23-028-R)

This memorandum transmits the final audit report on USAID resources managed by West and Central African Council for Agricultural Research and Development (CORAF) under the Partnership for Agricultural Research, Education and Development Project (PAIRED). CORAF contracted with the independent audit firm Ernst & Young, Accra, Ghana to conduct the audit. The audit firm stated that it performed its audit in accordance generally accepted government auditing standards. However, it did not have an external peer review that fully satisfies the standards' requirements. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on CORAF's schedule of expenditures of USAID awards; 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 schedule of expenditures of USAID awards for the period audited, was presented fairly, in all material respects; (2) evaluate the CORAF's internal controls; (3) determine whether CORAF complied with award terms and applicable laws and regulations; and (4) review the implementation status of the prior period recommendations.

To answer the audit objectives, Ernst & Young (1) audited the schedule of expenditures of USAID awards 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 CORAF as incurred from January 1 to December 31, 2021; (2) evaluated the control environment, the adequacy of the accounting systems, and control procedures that pertain to CORAF's ability to report financial data consistent with the assertions embodied in each account of the schedule of

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.

expenditures of USAID awards; (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 applicable schedule of expenditures of USAID awards; and (4) reviewed the implementation status of the prior period recommendations. CORAF reported expenditures of \$3,332,173 in USAID funds during the audited period.

The audit firm concluded the schedule of expenditures of USAID awards presented fairly, in all material respects, program revenues and costs incurred under the award for the period audited except for \$45,899 in unsupported questioned costs. The audit firm also identified one significant deficiency in internal control and three instances of material noncompliance. Although we are not making a recommendation for the significant deficiency noted in the report, we suggest that USAID/West Africa determine if the recipient addressed the issue noted.

During our desk review, we noted several areas for improvement which the audit firm should address in future audit reports. We presented these in a memo to the controller, dated November 23, 2022.

To address the issues identified in the report, we recommend that USAID/West Africa:

Recommendation 1. Determine the allowability of \$45,899 in unsupported questioned costs identified on pages 10 and 20 of the audit report and recover any amount that is unallowable.

Recommendation 2. Verify that West and Central African Council for Agricultural Research and Development corrects the three instances of material noncompliance detailed on pages 20 to 25 of the audit report.

We ask that you provide your written notification of actions planned or taken to reach management decision.

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").