



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

### MEMORANDUM

**DATE:** December 2, 2022

**TO:** USAID/Senegal, Mission Director, Peter Trenchard

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

**SUBJECT:** Financial Audit of USAID Resources Managed by Government of Senegal Ministry of National Education Under Multiple Sub Activity Implementation Letters, January 1 to December 31, 2021 (Report No. 4-685-23-035-R)

This memorandum transmits the final audit report on USAID resources managed by Government of Senegal, Ministry of National Education (MEN) for the Early Grade Reading in the Public Primary School System in Senegal under 1) Sub Activity Implementation Letter (SAIL) C, 685-013-12-3, *Lecture pour Tous* (LPT), and 2) Sub Activity Implementation Letter (SAIL) D, 685-013-12-4, Senegal Harmonized Bilingual Education Model (MOHEBS). MEN contracted with the independent audit firm Audit & Management Consulting Services (AMCS), Dakar, Senegal to conduct the audit. The audit firm stated that it performed its audit in accordance with generally accepted government auditing standards. However, it did not have an external peer review or a continuing professional education program that fully satisfy 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 MEN's schedule of expenditures of USAID awards; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.<sup>1</sup>

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 MEN's internal controls; (3) determine whether MEN 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, AMCS (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 MEN 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 MEN's ability to report financial

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<sup>1</sup> 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.

data consistent with the assertions embodied in each account of the schedule of 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 schedule of expenditures of USAID awards; and (4) reviewed the implementation status of the prior period recommendations. MEN reported expenditures of \$1,586,560 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. The audit firm identified no questioned costs; one material weakness in internal control; and no instances of material noncompliance. In addition, although we are not making a recommendation for significant deficiencies noted in the report, we suggest that USAID/Senegal determine if the recipient addressed the issues noted. The audit firm issued a management letter.

During our desk review, we noted several areas for improvement which the audit firm should address in future audit reports. We presented these areas in a memo to the controller, dated December 2, 2022.

To address the issue identified in the report, we recommend that USAID/Senegal:

**Recommendation 1.** Verify that Government of Senegal, Ministry of National Education corrects the one material weakness in internal control detailed on pages 35 and 36 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").