



MEMORANDUM

DATE: August 16, 2021

TO: USAID/Rwanda, Mission Director, Jonathan Kamin

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

SUBJECT: Financial Audit of USAID Resources Managed by François-Xavier Bagnaud Rwanda Under Multiple Awards, January 1 to December 31, 2020 (Report No. 4-696-21-084-R)

This memorandum transmits the final audit report on USAID resources managed by François-Xavier Bagnaud (FXB) Rwanda under the following awards:

Award Name (Type)	Award Number	Audit Period	Prime Implementer
Turengere Abana Program (cooperative agreement)	AID-696-A-12- 00004	Jan. 1 – Dec. 31, 2020	
Twiyubake Program (subcontract) – closeout	ISVP-PC-16-02	Jan. 1 – Jul. 31, 2020	Global Communities
Gikuriro Program (subagreement) – closeout	RW.16.SUBGR.8349. PI516676.01.00	Jan. 1 – Aug. 31, 2020	Catholic Relief Services (CRS)

FXB contracted with the independent certified public accounting firm RUMA Certified Public Accountants, Kigali, Rwanda, to conduct the audit. The audit firm stated that it performed its audit in accordance with generally accepted government auditing standards (GAGAS). However, it did not have continuing professional education and an external peer review that fully satisfied the requirements of GAGAS. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on FXB Rwanda'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 FXB Rwanda's internal controls; (3) determine whether FXB Rwanda complied with award terms and applicable laws and regulations; (4) review the indirect cost rate; and (5) review the implementation status of the prior period recommendations.

To answer the audit objectives, RUMA (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 FXB Rwanda as incurred from January 1 to December 31, 2020; (2) evaluated the control environment, the adequacy of the accounting systems, and control procedures that pertain to FXB Rwanda'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) determined that the review of the indirect cost rate was not applicable; and (5) reviewed the implementation status of the prior period recommendations. FXB Rwanda reported expenditures of \$4,696,172 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. The audit firm identified \$1,415 in total ineligible questioned costs; no material weaknesses in internal control; and one instance of material noncompliance specifically related to the questioned costs identified. Since the questioned costs did not meet the OIG's established threshold of \$25,000 for making a recommendation, we are not making a recommendation for the questioned costs and the related noncompliance instance. Nevertheless, we suggest that USAID/Rwanda determine the allowability of the \$1,415 in questioned costs and recover any amount determined to be unallowable. The audit firm also issued a management letter.

Accordingly, we are not making any recommendations.

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 August 16, 2021.

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").

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.