



## MEMORANDUM

**DATE:** June 25, 2019

**TO:** USAID/M/OAA/CAS/CAM, Branch Chief, David McNeil  
USAID/Senegal, Mission Director, Lisa Franchett

**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, 2015, to March 31, 2016 (Report No. 4-000-19-091-R)

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

<b>Award Name (Type)</b>	<b>Award Number</b>	<b>Audit Period</b>	<b>Prime Implementer</b>
New Alliance ICT Extension Challenge fund in Senegal (cooperative agreement)	AID-OAA-A-15-00010	April 1, 2015 - March 31, 2016	
Increasing Awareness and Uptake of Improved Seeds through Farmer Demonstration and Farmer to Farmer Networks in Senegal (subaward)	AID-OAA-A-13-00040	April 1, 2015 – March 31, 2016	Alliance for a Green Revolution in Africa (AGRA)
Building Sustainable Peace in the Fogni, through Livelihood Development (cooperative agreement) - Senegal	AID-685-A-14-00002	April 1, 2015 – March 31, 2016	
Innovation for Improving Early Grade Reading Activity in Bangladesh (subaward)	AID-388-G-15-00001	June 1, 2015 – March 31, 2016	BRAC
Building Community-Based Long Term Prevention of Outbreaks and WASH Products and Services Markets in the Prefecture of Forécariah, Coastal Guinea (subaward)	AID-OFDA-G-16-00002	August 15, 2015 – March 31, 2016	Fundación Acción Contra El Hambre (ACF-Spain)
Addressing the Drivers of Deforestation in Malawi (subaward)	AID-612-TO-14-00003	Feb. 8, 2016 – March 31, 2016	Tetra Tech

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

The audit firm states that it performed its audit in accordance with GAGAS, except that the audit firm did not have continuing professional education and external quality control review programs that fully satisfied 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.<sup>1</sup>

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; and (4) review the indirect cost rate.

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, 2015, to March 31, 2016; (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; and (4) reviewed the indirect cost rate. United Purpose reported expenditures of \$1,273,855 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 \$25,842 in ineligible questioned costs. The audit firm did not report any material weaknesses in internal control or any instances of material noncompliance. The auditors identified nine instances of noncompliance that they deemed not material. Although we are not making a recommendation on these items, we suggest that the appropriate USAID offices determine if the recipient addressed the issues noted.

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 June 25, 2019.

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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.

To address the issues identified in the report, we recommend that USAID/M/OAA/CAS/CAM:

**Recommendation 1.** Determine the allowability of \$18,449 in ineligible questioned costs on pages 12, 14 and 21 of the audit report and recover any amount that is unallowable.

**Recommendation 2.** Verify that United Purpose provides Fundación Acción Contra El Hambre and Alliance for a Green Revolution in Africa with copies of the findings raised in Sayer Vincent LLP's audit report for their review and any appropriate action regarding the allowability of \$ 3,867 in ineligible question costs (grant AID-OFDA-G-16-00002) and \$3,278 in ineligible questioned costs (agreement AID-OAA-A-13-00004) on pages 12, 14, and 22 to 24 of the audit report.

We recommend that USAID/Senegal:

**Recommendation 3.** Determine the allowability of \$248 in ineligible questioned costs on pages 12 and 22 of the audit report and recover any amount that is unallowable.

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