



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

MEMORANDUM

DATE: August 17, 2023

TO: USAID/Mali, Mission Director, Miriam Lutz

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

SUBJECT: Financial Closeout Audit of USAID Resources Managed by myAgro in Mali Under 72068819CA00001, July 2, 2019, to December 31, 2021 (Report No. 4-688-23-009-N)

This memorandum transmits the final audit report on USAID resources managed by myAgro (N'Gaséné). USAID/Mali contracted with the independent audit firm Audit Expertise Comptable & Conseil (AE2C), Bamako, Mali to conduct the audit. The audit firm stated that it performed its audit in accordance with generally accepted government auditing standards. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on myAgro's financial report; 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 financial report for the period audited, was presented fairly, in all material respects; (2) evaluate myAgro's internal controls; (3) determine whether myAgro complied with award terms and applicable laws and regulations.

To answer the audit objectives, AE2C (1) audited the financial report 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 myAgro as incurred from July 2, 2019, to December 31, 2021; (2) evaluated the control environment, the adequacy of the accounting systems, and control procedures that pertain to myAgro's ability to report financial data consistent with the assertions embodied in each account of the financial report; (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 financial report. myAgro reported expenditures of \$629,376 in USAID funds during the audited period.

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.

The audit firm concluded the financial report presented fairly, in all material respects, program revenues and costs incurred under the award for the period audited except for \$216,371 in total questioned costs (\$55,973 ineligible and \$160,398 unsupported); ten material weaknesses in internal control; and no instances of material noncompliance.

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 August 17, 2023.

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

Recommendation 1. Determine the allowability of \$216,371 in questioned costs (\$55,973 ineligible, \$160,398 unsupported) identified on page 20 and elsewhere in the audit report and recover any amount that is unallowable.

Recommendation 2. Verify that myAgro corrects the ten material weaknesses in internal control detailed on pages 37 to 46 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”). In addition, USAID OIG has determined that this transmittal memo and the enclosed report are not subject to notification and reporting requirements under Section 5274 of the National Defense Authorization Act.²

² The James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 Pub. L. No. 117-263, § 5274. Please direct related inquiries to oignotice_ndaa5274@usaid.gov.