



MEMORANDUM

DATE: June 25, 2019

TO: USAID/West Africa, Regional Mission Director, Daniel Moore

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

SUBJECT: Audit of USAID Resources Managed by West African Health Organization in West Africa Under Agreement AID-624-A-15-00001, February 3, 2015, to December 31, 2017 (Report No. 4-624-19-090-R)

This memorandum transmits the final audit report on USAID Resources managed by West African Health Organization (WAHO) for the Leadership Capacity Strengthening Project. WAHO contracted with the independent certified public accounting firm PricewaterhouseCoopers (PwC), Accra, Ghana 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 external quality control review program 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 WAHO'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 WAHO's internal controls; and (3) determine whether WAHO complied with award terms and applicable laws and regulations.

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.

To answer the audit objectives, PwC (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 WAHO as incurred from February 3, 2015, to December 31, 2017; (2) evaluated the control environment, the adequacy of the accounting systems, and control procedures that pertain to WAHO's ability to report financial data consistent with the assertions embodied in each account of the fund accountability statement; and (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. WAHO reported expenditures of \$2,676,990 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 \$16,334 in total questioned costs (\$6,347 ineligible and \$9,987 unsupported). Since the questioned costs did not meet OIG's established threshold of \$25,000 for not making a recommendation, we are not making one. Nevertheless, we suggest that USAID/West Africa determine the allowability of the \$16,334 in questioned costs and recover any amount determined to be unallowable. The audit did not identify any material weaknesses in internal control or instances of material noncompliance. The auditors did, however, report five significant deficiencies in internal control and two non-material instances of noncompliance. Although we are not making a recommendation for these items, we suggest that USAID/West Africa 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.

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").