



MEMORANDUM

DATE: July 23, 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, 2016, to March 31, 2017 (Report No. 4-000-19-108-R)

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

Award Name (Type)	Award Number	Audit Period	Prime Implementer
New Alliance ICT Extension Challenge fund in Senegal (cooperative agreement)	AID-OAA-A-15-00010	April 1, 2016 - March 31, 2017	
Increasing Awareness and Uptake of Improved Seeds through Farmer Demonstration and Farmer to Farmer Networks in Senegal (subaward) (close-out)	AID-OAA-A-13-00040	April 1, 2016 – March 31, 2017	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, 2016 – March 31, 2017	
Innovation for Improving Early Grade Reading Activity in Bangladesh (subaward)	AID-388-G-15-00001	April 1, 2016 – March 31, 2017	BRAC
Building Community-Based Long Term Prevention of Outbreaks and WASH products and Services Markets in the Prefecture of	AID-OFDA-G-16-00002	April 1, 2016 – June 30, 2016	Fundación Acción Contra El Hambre (ACF-Spain)

Forécariah, Coastal Guinea
(subaward)(close-out)

Addressing the Drivers of Deforestation in Malawi (subaward)	AID-612-TO- 14-00003	April 1, 2016 – March 31, 2017	Tetra Tech
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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 regulation.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 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, 2016, to March 31, 2017; (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 \$1,739,562 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 \$2,969 in questioned costs (\$1,804 ineligible and \$1,165 unsupported). The audit firm did not report any material weaknesses in internal control or any instances of material noncompliance. Since the questioned costs did not meet the OIG's established

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.

threshold of \$25,000 for making a recommendation, we are not making a recommendation. Nevertheless, we suggest that USAID/M/OAA/CAS/CAM determine the allowability of the \$2,969 in questioned costs and recover any amount determined to be unallowable. The auditors identified ten 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.

Accordingly we make no 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 July 23, 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”).