



MEMORANDUM

DATE: September 19, 2019

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

FROM: USAID OIG Africa Regional Office, Assistant Director, Louis Duncan, Jr. /s/

SUBJECT: Financial Audit of USAID Resources Managed by Permanent Interstate Committee for Drought Control in Multiple Countries Under Multiple Awards, January 1 to December 31, 2017 (Report No. 4-624-19-128-R)

This memorandum transmits the final audit report on USAID resources managed by Permanent Interstate Committee for Drought Control (CILSS), implemented in Burkina Faso; Cape-Verde; Gambia; Guinea-Bissau; Mali; Mauritania; Niger; Senegal; Chad; Guinea; Cote'd Ivories; Togo; and Benin under the following agreements:

Award Name (Type)	Award Number	Period	Prime Implementer
CILSS Headquarters Sahelina- (Grant agreement)	DOAG-624-008-06-01	January 1, to December 31, 2017	-
CILSS/INSAH for DREAM and CERPOD programs (Grant agreement)	DOAG-624-008-06-01	January 1, to December 31, 2017	-
CILSS/AGRHYMET for climatological and pest infestation and food production training (Grant agreement)	DOAG 624-DOAG-015-02	January 1, to December 31, 2017	-
CILSS/AGRHYMET-Improving resilience of West Africa region impact of climate change (Subaward)	No.1865-SERVIR-001	January 1, to December 31, 2017	Tetra Tech

CILSS contracted with the independent certified public accounting firm AMCS, Dakar, Senegal to conduct the audit. The audit firm stated that the contract required the audit firm to perform the audit in accordance with generally accepted government auditing standards.

The audit firm states that it performed its audit in accordance with generally accepted government auditing standards, except that the audit firm did not have continuing professional education and external quality peer review programs. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on CILSS'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 CILSS's internal controls; (3) determine whether CILSS complied with award terms and applicable laws and regulations; and (4) review the implementation status of the prior period recommendations.

To answer the audit objectives, AMCS (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 CILSS as incurred from January 1 to December 31, 2017; (2) evaluated the control environment, the adequacy of the accounting systems, and control procedures that pertain to CILSS'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 implementation status of the prior period recommendations. CILSS reported expenditures of \$7,203,791 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 did not identify any questioned costs. Moreover, the audit firm did not identify any material weaknesses in internal control or any instances of material noncompliance. However, the audit firm found three significant deficiencies in internal control. Although we are not making a recommendation for significant deficiencies noted in the report, we suggest that USAID/West Africa determine if the recipient addressed the issues noted.

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.

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 September 19, 2019.

Accordingly we make no recommendation.

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”).