



MEMORANDUM

DATE: October 29, 2019

TO: USAID/M/OAA/CAS/CAM, Branch Chief, David McNeil

FROM: USAID OIG Africa Regional Office, Assistant Director, Matthew Rathgeber /s/

SUBJECT: Financial Closeout Audit of USAID Resources Managed by The Alliance for a Green Revolution in Africa in Multiple Countries Under Cooperative Agreement AID-OAA-A-13-00040, January 1 to July 1, 2018 (Report No. 4-000-20-009-R)

This memorandum transmits the final audit report on USAID resources managed by The Alliance for a Green Revolution in Africa (AGRA) under the Scaling Seeds and Technologies Partnership, implemented in six countries: Ethiopia, Ghana, Mozambique, Malawi, Senegal and Tanzania. AGRA contracted with the independent certified public accounting firm PricewaterhouseCoopers (PwC), Nairobi, Kenya, to conduct the audit. The audit firm stated that it performed its audit in accordance with generally accepted government auditing standards (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 AGRA'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 AGRA's internal controls; (3) determine whether AGRA complied with award terms and applicable laws and regulations (4) review the indirect cost rate; (5) review the

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.

implementation status of prior period recommendations; and (6) determine if AGRA complied with local taxation laws.

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 AGRA as incurred from January 1 to July 1, 2018; (2) evaluated the control environment, the adequacy of the accounting systems, and control procedures that pertain to AGRA'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; (4) reviewed the implementation status of the prior period recommendations; and (5) reviewed AGRA's compliance with local taxation laws. AGRA reported expenditures of \$1,344,511 in USAID funds during the audited period.

Because the period audited covered less than a full year, the auditors did not review the indirect cost rate calculation for 2018. As a result, the independent calculation of the indirect cost rate for 2018 is still pending.

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. No questioned costs or material weaknesses in internal control were identified. The audit firm reported two instances of material noncompliance.

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 October 29, 2019

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

Recommendation I. Verify that The Alliance for a Green Revolution in Africa corrects the two instances of material noncompliance detailed on pages 27 and 28 of the audit report.

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”).