



## MEMORANDUM

**DATE:** December 9, 2019

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

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

**SUBJECT:** Financial Audit of USAID Resources Managed by West and Central African Council for Agricultural Research and Development in Multiple Countries Under Multiple Agreements, January 1 to December 31, 2017 (Report No. 4-624-20-020-R)

This memorandum transmits the final audit report on USAID resources managed by West and Central African Council for Agricultural Research and Development (CORAF) under the following agreements: 1) West African Seed Program (WASP), AID-624-A-12-00007 (closeout) and 2) Partnership for Agricultural Research, Education and Development (PAIRED), AID-624-A-17-00002. These agreements are implemented in Burkina Faso, Mali, Mauritania, Niger, Senegal, Chad, Benin, Cape Verde, Ivory Coast, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Nigeria, Sierra Leone, Togo, Cameroon, Congo, Gabon, Central African Republic and Democratic Republic of the Congo.

CORAF contracted with the independent certified public accounting firm COFIMA, Cotonou, Benin, to conduct the audit. The audit firm states 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 CORAF's fund accountability statement; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.<sup>1</sup>

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 CORAF's internal controls; (3) determine whether CORAF complied with award terms and applicable laws and regulations; (4) review the indirect cost rate; and (5) review the implementation status of prior period recommendations.

To answer the audit objectives, COFIMA (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 CORAF 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 CORAF'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 indirect cost rate; and (5) reviewed the implementation status of prior period recommendations. CORAF reported expenditures of \$2,559,625<sup>2</sup> 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 report any material weaknesses in internal control and any instances of material noncompliance. The audit firm issued a management letter with insignificant internal control deficiencies.

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 December 9, 2019.

Accordingly we are not making any recommendations.

We appreciate the assistance extended during the engagement.

OIG does not routinely distribute independent public accounting reports beyond the

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<sup>1</sup> 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.

<sup>2</sup> Total cost incurred agreement AID-624-A-12-00007 of \$2,450,409 and Total costs incurred agreement AID-624-17-00002 of \$109,216 = \$2,559,625

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”).