



MEMORANDUM

DATE: June 22, 2020

TO: USAID/Liberia, Mission Director, Sara Walter

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

SUBJECT: Financial Closeout Audit of USAID Resources Managed by International Foundation for Electoral Systems in Liberia Under Cooperative Agreement AID-669-A-14-00001, July 1, 2014, to June 30, 2015, and July 1, 2017, to September 30, 2018 (Report No. 4-669-20-009-N)

This memorandum transmits the final audit report on USAID resources managed by International Foundation for Electoral System (IFES) on locally incurred costs paid in Liberia. USAID/Liberia contracted with the independent certified public accounting firm Rumph and Associates, P.C., Virginia, USA, to conduct the audit. The audit firm stated that it performed its audit in accordance with generally accepted government auditing standards (GAGAS). The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on IFES'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 IFES's internal controls; (3) determine whether IFES complied with award terms and applicable laws and regulations; (4) review the implementation status of the prior period recommendations; and (5) determine whether IFES has delivered, accounted for, and made proper disposition of commodities and supplies purchased under the Agreement or furnished by USAID.

To answer the audit objectives, Rumph and Associates, P.C., (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 IFES as incurred from July 1, 2014, to June 30, 2015, and July 1, 2017, to September 30, 2018; (2) evaluated the control environment, the adequacy of the accounting systems, and control

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.

procedures that pertain to IFES'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) determined if IFES delivered, accounted for, and made proper disposition of commodities and supplies purchased under the award or furnished by USAID. IFES reported expenditures of \$2,391,081 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. There were no questioned costs; no material weaknesses in internal control; and one instance of material noncompliance. In addition, although we are not making a recommendation for significant deficiencies noted in the audit report and material noncompliance findings because the audit is a close out, we suggest that USAID/Liberia determine if the recipient addressed the issues noted before making any future awards.

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 controller, dated June 22, 2020.

Accordingly, we are not making any recommendations.

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").