



MEMORANDUM

DATE: January 27, 2021

TO: USAID/South Sudan, Mission Director, Haven Cruz-Hubbard

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

SUBJECT: Financial Closeout Audit of USAID Resources Managed by WS Insight Limited in South Sudan Under Contract AID-668-C-17-00001, February 9, 2017, to December 31, 2018 (Report No. 4-668-21-006-N)

This memorandum transmits the final audit report on USAID resources managed by WS Insight Limited. USAID/South Sudan contracted with the independent certified public accounting firm KPMG, Nairobi, Kenya, to conduct the audit. The audit firm stated that it performed its audit in accordance with generally accepted government auditing standards (GAGAS). However, it did not have an external peer review that fully satisfied the requirements of GAGAS. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on WS Insight Limited'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 WS Insight Limited's internal controls; (3) determine whether WS Insight Limited complied with award terms and applicable laws and regulations.

To answer the audit objectives, KPMG (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 WS Insight Limited as incurred from February 9, 2017, to December 31, 2018; (2) evaluated the control environment, the adequacy of the accounting systems, and control procedures that pertain to WS Insight Limited's ability to report financial data consistent with the assertions embodied in

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.

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. WS Insight Limited reported expenditures of \$1,663,444² 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 \$5,826 in total unsupported questioned costs; six material weaknesses in internal control; and six instances of material noncompliance. Since the questioned costs did not meet the OIG's established threshold of \$25,000 for making a recommendation, we are not making a recommendation. Nevertheless, we suggest that USAID/South Sudan determine the allowability of the \$5,826 in questioned costs and recover any amount determined to be unallowable. Since this is a closeout audit and there are no ongoing awards with the recipient, we will not make formal procedural recommendations, but we suggest that USAID/South Sudan determine if the recipient addressed the issues noted.

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 January 27, 2021.

Accordingly, we are not making any recommendations.

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").

²² Total expenses per the fund accountability statement \$1,688,114 subtract overspending on budget covered by the recipient of \$24,670 = \$1,663,444.