



## MEMORANDUM

**DATE:** February 4, 2021

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

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

**SUBJECT:** Financial Audit of USAID Resources Managed by Ghana Institute of Management and Public Administration in Multiple Countries Under Cooperative Agreement AID-624-A-15-00009, January 1 to December 31, 2019 (Report No. 4-624-21-034-R)

This memorandum transmits the final audit report on USAID resources managed by Ghana Institute of Management and Public Administration (GIMPA) in the following countries: Gambia, Ghana, Liberia, Nigeria, Sierra Leone, Burkina Faso, Cote d'Ivoire, Togo, and Cameroon. GIMPA contracted with the independent certified public accounting firm AKUS Consult, Accra, Ghana, 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 continuing professional education and 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 GIMPA'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 GIMPA's internal controls; (3) determine whether GIMPA complied with award terms and applicable laws and regulations; and (4) review the implementation status of the prior period recommendations.

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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.

To answer the audit objectives, AKUS Consult (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 GIMPA as incurred from January 1 to December 31, 2019; (2) evaluated the control environment, the adequacy of the accounting systems, and control procedures that pertain to GIMPA'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. GIMPA reported expenditures of \$1,671,155 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 identified \$2,595 in ineligible questioned costs; no material weaknesses in internal control; and two 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 related to the questioned cost or on the noncompliance instance that specifically relates to the questioned costs identified. Further since the cost sharing/matching is for the life of the project we are not making recommendation for identified questioned cost on shortfall of \$491,260 and related finding. Nevertheless, we suggest that USAID/West Africa determine the allowability of the \$2,595 in questioned costs and recover any amount determined to be unallowable. Further, we suggest that USAID/West Africa ensure that the GIMPA takes corrective action to increase its cost sharing in accordance with the requirements of the award. The audit firm issued a management letter.

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 February 4, 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").