



MEMORANDUM

DATE: August 18, 2021

TO: USAID/Senegal, Mission Director, Peter Trenchard

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

SUBJECT: Financial Audit of USAID Resources Managed by ONG Décentralisation-Droits Humains-Développement Local (ONG 3D) in Senegal Under Multiple Awards, January 1 to December 31, 2019 (Report No. 4-685-21-086-R)

This memorandum transmits the final audit report on USAID resources managed by ONG Décentralisation-Droits Humains-Développement Local (ONG 3D) under the following awards:

Award Name (Type)	Award Number	Audit Period	Prime Implementer
Parliamentary Assistance and Civic Engagement (PACE - SUNUBUDGET Program) (cooperative agreement) - closeout	AID-685-A-13-00004	Jan. 1- Jul. 31, 2019	
KAWRAL Program (cooperative agreement)	72068518CA000012	Jan. 1- Dec. 31, 2019	
SUNUELECTION Program (subaward)	72068518CA00006	Jan. 1- Dec. 31, 2019	PFANE

ONG 3D contracted with the independent certified public accounting firm Audit & Management Consulting Services (AMCS), Dakar, Senegal, 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 ONG 3D'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 ONG 3D's internal controls; (3) determine whether ONG 3D complied with award terms and applicable laws and regulations; (4) review the indirect cost rate; and (5) review the implementation status of the prior period recommendations.

To answer the audit objectives, AMCS (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 ONG 3D 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 ONG 3D'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) determined that the review of the indirect cost rate was not applicable; and (5) reviewed the implementation status of the prior period recommendations. ONG 3D reported expenditures of \$1,365,706² 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 two of the awards for the period audited. For the subaward the audit firm included a modified opinion due to \$2,763 in unsupported questioned costs identified. The audit firm identified no material weaknesses in internal control; and one instance of material noncompliance specifically related to the questioned costs. Since the questioned costs and the specifically related finding 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/Senegal determine the allowability of the \$2,763 in questioned costs and recover any amount determined to be unallowable. In addition, although we are not making a recommendation for significant deficiencies noted in the report, we suggest that USAID/Senegal determine if the recipient addressed the issues noted.

Accordingly, we are not making any recommendations.

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 August 18, 2021.

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.

² Total expenses agreement AID-685-A-13-00004 of \$405,510 + total expenses agreement 720685CA000012 of \$245,636 + total expenses subaward 72068518CA000016 of \$714,560 = \$1,365,706

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”).