



## MEMORANDUM

**DATE:** September 13, 2021

**TO:** USAID/Ghana, Mission Director, Sharon Cromer

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

**SUBJECT:** Financial Closeout Audit of USAID Resources Managed by Council for Scientific and Industrial Research – Savanna Agricultural Research Institute in Ghana Under Agreement 641-A18-FY14-IL#03, January 1, 2019, to March 31, 2020 (Report No. 4-641-21-012-N)

This memorandum transmits the final audit report on USAID resources managed by Council for Scientific and Industrial Research – Savanna Agricultural Research Institute (CSIR-SARI). USAID/Ghana contracted with Ghana’s Supreme Audit Institution, Ghana Audit Services, Accra, Ghana, to conduct the audit. The audit firm stated that it performed its audit in accordance with generally accepted government auditing standards (GAGAS) and the International Standards of Supreme Audit Institutions. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on CSIR-SARI’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 CSIR-SARI’s internal controls; (3) determine whether CSIR-SARI 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, Ghana Audit Services (1) audited the fund accountability statement for the award including the budgeted amounts by category and major items and 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.

revenues received from USAID for the period covered by the audit and the costs reported by CSIR-SARI as incurred from January 1, 2019, to March 31, 2020; (2) evaluated the control environment, the adequacy of the accounting systems, and control procedures that pertain to CSIR-SARI'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. CSIR-SARI reported expenditures of \$1,012,062 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 \$3,809 in ineligible questioned costs. The audit firm identified 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. Nevertheless, we suggest that USAID/Ghana determine the allowability of the \$3,809 in questioned costs and recover any amount determined to be unallowable. Since this was a close-out audit, we will not include formal procedural recommendations as we are not aware of any other ongoing agreements with the recipient.

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 September 13, 2021.

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").