



MEMORANDUM

DATE: October 18, 2021

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

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

SUBJECT: Financial Closeout Audit of USAID Resources Managed by SIA N'SON NGO in Benin Under Multiple Awards, January 1, 2019, to February 22, 2020 (Report No. 4-680-22-003-R)

This memorandum transmits the final audit report on USAID resources managed by SIA N'SON NGO under the following awards: 1) PIHI-Com TCHAOUROU and DCO, cooperative agreement AID-680-A-14-00005 from January 1, 2019, to January 31, 2020; and 2) PIHI-Com COTONOU 2-3 and AZT, cooperative agreement AID-680-A-17-00003 from January 1, 2019, to February 22, 2020. SIA N'SON NGO contracted with the independent certified public accounting firm COFIMA, Cotonou, Benin, 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 SIA N'SON NGO'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 SIA N'SON NGO's internal controls; (3) determine whether SIA N'SON NGO complied with award terms and applicable laws and regulations; and (4) review the implementation status of the prior period recommendations.

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.

To answer the audit objectives, COFIMA (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 SIA N'SON NGO as incurred from January 1, 2019, to February 22, 2020; (2) evaluated the control environment, the adequacy of the accounting systems, and control procedures that pertain to SIA N'SON NGO'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) determined that no prior period recommendations were identified. SIA N'SON NGO reported expenditures of \$1,499,855 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 identified a total of \$3,413 in ineligible questioned costs; no material weaknesses in internal control; and five 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/West Africa determine the allowability of the \$3,413 in questioned costs and recover any amount determined to be unallowable. Given that this audit is a closeout, we will not make a recommendation for the material instances of noncompliance identified in the report as we have no knowledge of ongoing agreements with the recipient. The audit firm also issued a management letter.

Accordingly, we are not making any recommendations.

During our desk review, we noted a minor issue which the audit firm should address in future audit reports. We presented this issue in a memo to the controller, dated October 18, 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").