



OFFICE OF INSPECTOR GENERAL U.S. Agency for International Development

MEMORANDUM

DATE: December 1, 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 Ministry of Health and Social Welfare Senegal Under Multiple Implementation Letters, January 1 to December 30, 2019 (Report No. 4-685-22-021-R)

This memorandum transmits the final audit report on USAID resources managed by Ministry of Health and Social Welfare Senegal through the PASMESSIS program, implementation letter 685-012-13, and the National Malaria Control Program, implementation letters 685-012-12-04 and 685-012-12-07. The Ministry of Health and Social Welfare Senegal 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 Ministry of Health and Social Welfare Senegal'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 the Ministry of Health and Social Welfare Senegal's internal controls; (3) determine whether the Ministry of Health and Social Welfare Senegal complied with award terms and applicable laws and regulations; and (4) reviewed 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 Ministry of Health and Social Welfare Senegal as incurred from January 1 to December 31, 2019; (2) evaluated the

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.

control environment, the adequacy of the accounting systems, and control procedures that pertain to Ministry of Health and Social Welfare Senegal'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. The Ministry of Health and Social Welfare Senegal reported expenditures of \$932,006 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 \$278,007 in total questioned costs (\$33,636 ineligible and \$244,371 unsupported). The audit also reported three material weaknesses in internal control and two instances of material noncompliance. The audit firm also issued a management letter.

During our desk review, we noted a minor issue which the audit firm will need to address in future audit reports. We presented this issue in a memo to the controller, dated December 1, 2021.

To address the issues identified in the report, we recommend that USAID/Senegal:

Recommendation 1. Determine the allowability of \$278,007 in questioned costs (\$33,636 ineligible, \$244,371 unsupported) identified on pages 14, 15, 17, and 19 of the audit report and recover any amount that is unallowable.

Recommendation 2. Verify that Ministry of Health and Social Welfare Senegal corrects the three material weaknesses in internal control detailed on pages 35 to 37 of the audit report.

Recommendation 3. Verify that Ministry of Health and Social Welfare Senegal corrects the two instances of material noncompliance detailed on pages 41 to 48 of the audit report.

We ask that you provide your written notification of actions planned or taken to reach management decision.

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").