



# OFFICE OF INSPECTOR GENERAL

## U.S. Agency for International Development

### MEMORANDUM

**DATE:** January 5, 2022

**TO:** USAID/Management/Office of Acquisition and Assistance/Cost, Audit, and Support Division, Supervisory Auditor, Eleanor C. Jefferson

**FROM:** Director of External Financial Audit Division (IG/A/EFA), David A. McNeil /s/

**SUBJECT:** Financial Audit Report of Shell Foundation for the Year Ended December 31, 2015 (3-000-22-005-R)

This memorandum transmits the final audit report on the recipient contracted audit of Shell Foundation for the year ended December 31, 2015. Shell Foundation contracted with the independent certified public accounting firm Sayer Vincent LLP to conduct the audit. Sayer Vincent LLP stated that it performed its audit in accordance with generally accepted government auditing standards, and the *Guidelines for Financial Audits Contracted by Foreign Recipients*.<sup>1</sup> However, it did not have a continuing professional education program that fully satisfied generally accepted government auditing standards and did not have an external peer review by unaffiliated organization because such a program is not available in the United Kingdom (UK). Sayer Vincent LLP is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on Shell Foundation's fund accountability statement; the effectiveness of its internal control; or its compliance with the awards, laws, and regulations.<sup>2</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 Shell Foundation's internal control; and (3) determine whether Shell Foundation complied with award terms and applicable laws and regulations. To answer the audit objectives, the audit firm performed procedures to evaluate the effectiveness of the design and operation of the internal controls that were considered relevant to preventing or detecting material noncompliance with

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<sup>1</sup> On June 30, 2017, USAID OIG rescinded its "Guidelines for Financial Audits Contracted by Foreign Recipients," recognizing the Agency's role to impose requirements on its implementing partners and contractors as a management function. This contracted audit, however, was initiated before that date and follows the guidelines.

<sup>2</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.

the compliance requirements applicable to each of Shell Foundation's U.S. government awards, reviewed applicable documents, and performed those tests which it considered necessary. The audit covered USAID audited expenditures of \$4,000,000 for the year ended December 31, 2015.

Sayer Vincent LLP issued an unmodified opinion stating that the fund accountability statement presents fairly, in all material respects, program revenues, costs incurred and reimbursed, and commodities and technical assistance directly procured by USAID for the year ended December 31, 2015 in accordance with the terms of the agreements, with expenditures included on the accruals basis and income based on actual receipts, except that the audit fee was not accrued. The audit firm did not identify any significant deficiencies or material weaknesses in internal control. There were no material instances of noncompliance. The auditors did not question any costs.

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").