



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

MEMORANDUM

DATE: May 6, 2022

TO: USAID/Democratic Republic of the Congo, Mission Director, Paul Sabatine

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

SUBJECT: Financial Audit of USAID Resources Managed by African Parks Network in Multiple Countries Under Multiple Awards, June 18, 2018, to December 31, 2019 (Report No. 4-605-22-051-R)

This memorandum transmits the final audit report on USAID resources managed by African Parks Network (APN) in the Central African Republic and the Democratic Republic of the Congo under 1) cooperative agreement AID-605-A-16-00002, Central Africa Forest Ecosystems Conservation (CAFEC) Garamba Chinko Protected Areas Project, January 1 to December 31, 2019; and 2) cooperative agreement 72060518CA00004, Community Based Counter Wildlife Trafficking Activity (CBCWT) Garamba Chinko Protected Areas Project, June 18, 2018, to December 31, 2019. APN contracted with the independent certified public accounting firm Ernst & Young RDC (EY), Kinshasa, Democratic Republic of the Congo, to conduct the audit. The audit firm stated that it performed its audit in accordance with generally accepted government auditing standards (GAGAS). The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on APN'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 APN's internal controls; (3) determine whether APN 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, EY (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 APN as incurred from June 18, 2018, to December 31, 2019; (2) evaluated the control environment, the adequacy of

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.

the accounting systems, and control procedures that pertain to APN'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) reviewed the indirect cost rate; and (5) reviewed the implementation status of the prior period recommendations. APN reported expenditures of \$3,152,726 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 \$3,417 in unsupported questioned costs; no material weaknesses in internal control; and one instance of material noncompliance specifically related to the questioned costs identified. 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 for the questioned costs and related noncompliance instance. Nevertheless, we suggest that USAID/Democratic Republic of Congo determine the allowability of the \$3,417 in questioned costs and recover any amount determined to be unallowable. The audit firm also issued a management letter.

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 May 6, 2022.

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").