



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

### MEMORANDUM

**DATE:** October 24, 2022

**TO:** USAID/West Africa, Regional Mission Director, Jo Lesser-Oltheten

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

**SUBJECT:** Financial Audit of USAID Resources Managed by Ghana Institute of Management and Public Administration Under Cooperative Agreement AID-624-A-15-00009, January 1 to December 31, 2021 (Report No. 4-624-23-009-R)

This memorandum transmits the final audit report on USAID resources managed by Ghana Institute of Management and Public Administration (GIMPA) under the Young African Leaders Initiative (YALI) Accra Regional Leadership Center (RLC) Program. The Accra RLC is one of four RLCs under YALI, with the others are in Senegal, South Africa, and Kenya. The Accra RLC serves Anglophone West Africa (Gambia, Ghana, Liberia, Nigeria, and Sierra Leone) and English speakers in Burkina Faso, Cote d'Ivoire, Togo, and Cameroon. GIMPA contracted with the independent audit firm AKUS Chartered Accountants, Accra, Ghana to conduct the audit. The audit firm stated that it performed its audit in accordance with generally accepted government auditing standards. However, it did not have an external peer review or a continuing professional education program that fully satisfy the standards' requirements. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on GIMPA's schedule of expenditures of USAID awards, 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 schedule of expenditures of USAID awards for the period audited, was presented fairly, in all material respects; (2) evaluate GIMPA's internal controls; (3) determine whether GIMPA complied with award terms and applicable laws and regulations; (4) determine whether cost-sharing/counterpart contributions were provided and accounted for; and (5) review the implementation status of the prior period recommendations.

To answer the audit objectives, AKUS Chartered Accountants (I) audited the schedule of expenditures of USAID awards 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

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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.

reported by GIMPA as incurred from January 1 to December 31, 2021; (2) evaluated the control environment, the adequacy of the accounting systems, and control procedures that pertain to GIMPA's ability to report financial data consistent with the assertions embodied in each account of the schedule of expenditures of USAID awards; (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 schedule of expenditures of USAID awards; (4) determined that the cost-sharing/counterpart schedule were provided and accounted for; and (5) reviewed the implementation status of the prior period recommendations. GIMPA reported expenditures of \$793,401 in USAID funds during the audited period.

The audit firm concluded the schedule of expenditures of USAID awards presented fairly, in all material respects, program revenues and costs incurred under the award for the period audited. The audit identified \$1,672 in unsupported questioned costs; 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 for the questioned costs and the one instance of material noncompliance specifically related to the questioned costs. Nevertheless, we suggest that USAID/West Africa determine the allowability of the \$1,672 in questioned costs and recover any amount determined to be unallowable.

During our desk review, we noted one area for improvement which the audit firm should address in future audit reports. We presented this in a memo to the controller, dated October 24, 2022.

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

**Recommendation 1.** Verify that Ghana Institute of Management and Public Administration corrects the one instance of material noncompliance detailed on pages 20 and 21 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").