



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: January 29, 2024

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

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

SUBJECT: Financial Audit of USAID Resources Managed by Nouvelle Pharmacie de la Santé Publique de Côte d'Ivoire Under Cooperative Agreement 72062418CA00005, January 1 to December 31, 2022 (Report No. 4-624-24-062-R)

This memorandum transmits the final audit report on USAID resourced managed by Nouvelle Pharmacie de la Santé Publique de Côte d'Ivoire (NPSP-CI) under the Local Health Supplies Procurement and Logistics Activity. NPSP-CI contracted with the independent audit firm KPMG, Abidjan, Côte d'Ivoire 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 NPSP-CI's schedule of expenditures of USAID awards; 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 schedule of expenditures of USAID awards for the period audited, was presented fairly, in all material respects; (2) evaluate NPSP-CI's internal controls; and (3) determine whether NPSP-CI complied with award terms and applicable laws and regulations.

To answer the audit objectives, KPMG (1) 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 reported by NPSP-CI as incurred from January 1 to December 31, 2022; (2) evaluated the control environment, the adequacy of the accounting systems, and control procedures that pertain to NPSP-CI's ability to report financial data consistent with the assertions embodied in each account of the schedule of expenditures of USAID awards; and (3) identified the award terms and pertinent laws and regulations and determined which of those, if not observed, could have a direct and material

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.

effect on the schedule of expenditures of USAID awards. NPSP-CI reported expenditures of \$3,027,867 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 except for \$202,783 in total unsupported questioned costs. The audit firm identified four material weaknesses in internal control and four instances of material noncompliance; however, the findings are identical. The audit firm issued a management letter.

During our desk review, we noted several areas for improvement which the audit firm should address in future audit reports. We presented these areas in a memo to the controller, dated January 29, 2024.

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

Recommendation 1. Determine the allowability of \$202,783 in unsupported questioned costs on page 17 of the audit report and recover any amount that is unallowable.

Recommendation 2. Verify that Nouvelle Pharmacie de la Santé Publique de Côte d'Ivoire corrects the four instances of material noncompliance detailed on pages 36 to 38 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"). In addition, USAID OIG has determined that this transmittal memo and the enclosed report are not subject to notification and reporting requirements under Section 5274 of the National Defense Authorization Act.²

² The James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 Pub. L. No. 117-263, § 5274. Please direct related inquiries to oignotice_ndaa5274@usaid.gov.