



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

MEMORANDUM

DATE: March 26, 2024

TO: USAID/M/OAA/CAS/CAM, Supervisory Auditor, Sheree Marshall

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

SUBJECT: Financial Audit of USAID Resources Managed by Alliance for a Green Revolution in Africa in Multiple Countries Under Cooperative Agreement AID-OAA-A-17-00029, January 1 to December 31, 2020 (Report No. 4-000-24-079-R)

This memorandum transmits the final audit report on USAID resources managed by Alliance for a Green Revolution in Africa (AGRA) for the Partnership for Inclusive Agricultural Transformation in Africa (PIATA) implemented in the following countries: Ghana, Kenya, Malawi, Mozambique, Nigeria, Rwanda, Tanzania, and Uganda. AGRA contracted with the independent audit firm Ernst & Young LLP, Nairobi, Kenya 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 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 AGRA'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 AGRA's internal controls; (3) determine whether AGRA 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, Ernst & Young LLP (1) audited the fund accountability statement 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 AGRA as incurred from January 1 to December 31, 2020; (2) evaluated the control environment, the adequacy of the accounting systems, and control procedures that pertain to AGRA's ability to report financial data consistent with the assertions embodied in each account of the fund

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.

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) determined that the review of the indirect cost rate was not applicable; and (5) reviewed the implementation status of the prior period recommendations. AGRA reported expenditures of \$10,358,037 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. The audit firm identified \$36,297 in ineligible questioned costs; no material weaknesses in internal control; and one instance of material noncompliance.

To address the issues identified in the report, we recommend that USAID/M/OAA/CAS/CAM:

Recommendation 1. Determine the allowability of \$36,297 in ineligible questioned costs on pages 12 and 13 of the audit report and recover any amount that is unallowable.

Recommendation 2. Verify that Alliance for a Green Revolution in Africa corrects the one instance of material noncompliance detailed on pages 22 to 23 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.