



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: October 18, 2024

TO: Sheree Marshall
Supervisory Auditor
USAID/Management/Office of Acquisition and Assistance/Cost, Audit and Support Division/Contract Audit Management Branch

FROM: David A. McNeil /s/
Director, External Financial Audits Division

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, 2023
(Report No. 3-000-25-002-R)

This memorandum transmits the final audit report on the U.S. Agency for International Development (USAID) resources managed by Alliance for a Green Revolution in Africa (AGRA) under the Partnership for Inclusive Agricultural Transformation in Africa (PIATA), Cooperative Agreement No: AID-OAA-A-17-00029 implemented in multiple countries for the period January 1, 2023, to December 31, 2023. AGRA contracted with the independent audit firm Ernst & Young LLP, Nairobi, Kenya (EY) to conduct the audit. EY stated that it performed its audit in accordance with the USAID Financial Audit Guide for Foreign Organizations and the generally accepted government auditing standards. However, it did not have an external peer review program that fully satisfied the standards' requirements. EY is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on AGRA'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 AGRA's internal controls; (3) determine whether AGRA complied with award terms

¹ We reviewed the audit 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 audit firm's supporting working papers; they are not designed to enable us to directly evaluate the quality of the audit performed.

and applicable laws and regulations; (4) review the indirect cost rate; (5) express an opinion on whether the general-purpose financial statements present fairly, in all material respects, the results of its operations for the year then ended, in conformity with generally accepted accounting principles; and (6) review the implementation status of the prior period recommendations. To answer the audit objectives, EY (1) reviewed direct and indirect costs billed to and reimbursed by USAID and costs incurred but pending reimbursement by USAID, and identified and quantified any questioned costs; (2) reviewed and evaluated AGRA's internal controls related to USAID programs to obtain a sufficient understanding of the design of relevant control policies and procedures and whether those policies and procedures were placed in operation; (3) identified the agreement terms and pertinent laws and regulations and determined which, if not observed, could have a direct and material effect on the schedule of expenditures of USAID's award; (4) determined the actual indirect cost rates for the year and if AGRA had used provisional rates to charge indirect costs to USAID; (5) confirmed that an audit opinion was issued by the auditors of AGRA on the financial statements for the year ended December 31, 2023; and (6) reviewed the implementation status of the prior period recommendations. AGRA reported expenditures of \$7,139,301 in USAID funds during the audited period.

EY concluded the schedule of expenditures of USAID's award presents fairly, in all material respects, program revenues, costs incurred and reimbursed, and commodities and technical assistance directly procured by USAID for the PIATA Program for the period January 1, 2023, to December 31, 2023, in accordance with the terms of the Cooperative Agreement. EY identified no questioned costs, no material weaknesses in internal control, and no instances of noncompliance that are required to be reported under U.S. Government Auditing Standards. In EY's opinion, the schedule of computation of the indirect cost rate is fairly stated in all material aspects in relation to the financial statements taken as a whole. In EY's opinion of the review of AGRA's general purpose financial statement, the consolidated financial statements present fairly, in all material aspects, the financial position of the Group as of December 31, 2023. EY noted other matters involving internal control and its operations and certain immaterial instances of non-compliance that have been reported to the management of AGRA in a separate letter dated September 30, 2024.

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.