



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

MEMORANDUM

DATE: December 13, 2024

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

FROM: USAID OIG Africa Regional Office, Audit Director, Ryan Werner /s/

SUBJECT: Financial Audit of USAID Resources Managed by the Office of Development Projects and Social Works in Benin Under Cooperative Agreement 72068020CA00001, January 1 to December 31, 2023 (Report No. 4-680-25-039-R)

This memorandum transmits the final audit report on USAID resources managed by the Office of Development Projects and Social Works (BUPDOS-NGO) for the Reinforcement of the Community Package of High Impact Interventions project. BUPDOS-NGO contracted with the independent audit firm Benaudit Baker Tilly, Cotonou, Benin to conduct the audit. The audit firm stated that it performed its audit in accordance with generally accepted government auditing standards and in accordance with international standards and rules. 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 BUPDOS-NGO's schedule of expenditures of USAID awards; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.

The audit objectives were to (1) express an opinion on whether schedule of expenditures of USAID awards for the period audited, was presented fairly, in all material respects; (2) evaluate BUPDOS-NGO's internal controls; (3) determine whether BUPDOS-NGO 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, Benaudit Baker Tilly (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 BUPDOS-NGO as incurred from January 1 to December 31, 2023; (2) evaluated the control environment, adequacy of the accounting systems, and control procedures that pertain to BUPDOS-NGO'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 review of the indirect cost rate was not applicable; and (5) reviewed the implementation status of prior period recommendations. BUPDOS-NGO reported expenditures of \$1,015,444 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 firm reported no questioned costs, no material weaknesses in internal control, and no material instances of non-compliance. Although we are not making any recommendations for the significant deficiency noted in the report, we suggest that USAID/West Africa determine if the recipient addressed the noted issue. The audit firm also issued a management letter.

Accordingly, we are not making any recommendations.

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 controller, dated December 13, 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.¹

¹ 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.