



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: February 19, 2025

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 National Episcopal Conference of Cameroon Under Cooperative Agreement 72062423CA00003, January 1 to December 31, 2023 (Report No. 4-624-25-063-R)

This memorandum transmits the final audit report on USAID resources managed by National Episcopal Conference of Cameroon (NECC) under the Consolidating Systems and Services for the Management of Orphans and Vulnerable Children in Cameroon. NECC contracted with the independent audit firm Mazars, Douala, Cameroon to conduct the audit. The audit firm stated that it performed its audit in accordance with generally accepted auditing standards (GAAS) and generally accepted government auditing standards (GAGAS). However, it did not have an external peer review that fully satisfies 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 NECC'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 NECC's internal controls; and (3) determine whether NECC complied with award terms and applicable laws and regulations.

To answer the audit objectives, Mazars (1) audited the schedule of expenditures of USAID awards including 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 NECC as incurred from January 1 to December 31, 2023; (2) evaluated the control environment, the adequacy of the account systems, and control procedures that pertain to NECC's ability to report financial

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.

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 determine which of those, if not observed, could have a direct and material effect on the schedule of expenditures of USAID awards. NECC reported expenditures of \$5,279,567 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 identified \$39,329 in unsupported questioned costs; four material weaknesses in internal control; and two instances of material noncompliance. The audit firm also issued a management letter; however, it was not submitted for review.

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

Recommendation 1. Determine the allowability of \$39,329 in unsupported costs on pages 11, 12 to 14 of the audit report and recover any amount that is unallowable.

Recommendation 2. Verify that National Episcopal Conference of Cameroon corrects the four material weaknesses in internal control detailed on pages 17 to 21 of the audit report.

Recommendation 3. Verify that National Episcopal Conference of Cameroon corrects the two instances of material noncompliance detailed on pages 21 and 22 of the audit report.

We ask that you provide 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 oinotice_ndaa5274@usaid.gov.