

THE MENTOR INITIATIVE
FUND ACCOUNTABILITY STATEMENT AND SCHEDULE OF COMPUTATION OF
INDIRECT COST RATE FOR USAID
YEAR ENDED 30 SEPTEMBER 2011

THE MENTOR INITIATIVE
YEAR ENDED 30 SEPTEMBER 2011

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THE MENTOR INITIATIVE

1. SUMMARY

YEAR ENDED 30 SEPTEMBER 2011

We have audited the Fund Accountability Statement for the MENTOR Initiative for year ended 30 September 2011 (1 October 2010 – 30 September 2011).

1. Programme Background

The location and background of the programmes included in the Statement are as follows:

| | Programme/Period of Award | Location | Background |
|-----|---|-----------------|---|
| 1. | BPRM4 SPRMCO09CA110 15 August 2009 to 14 August 2010 | Chad | Reinforcing essential malaria control capacity to decrease the burden of malaria among refugees living in eastern and southern Chad |
| 2. | BPRM5 SPRMCO10CA184 15 August 2010 to 14 August 2011 | Chad | Reinforcing essential malaria control capacity to decrease the burden of malaria among refugees and host population living in South Chad. |
| 3. | BPRM5 SPRMCO11CA105 15 August 2011 to 14 August 2012 | Chad | Reinforcing essential malaria control capacity to decrease the burden of malaria among refugees and host population living in South Chad. |
| 4. | OFDA HT:AID-dfd-g-00-10-00125-00 25 February 2010 to 25 August 2011 | Haiti | Emergency vector borne disease control and epidemic preparedness and response in the earthquake affected areas of Haiti. |
| 5. | OFDA2 DFD-G-00-07-00095-00 01 May 2007 to 31 October 2011 | Liberia | Continuation of malaria control expansion across the most vulnerable communities in Liberia. |
| 6. | OFDA3 DFD-G-00-09-00121-00 01 March 2009 to 31 July 2010 | Chad | To strengthen public health and malaria control services for the most vulnerable Internally displaced persons (IPD) and host communities in Eastern Chad |
| 7. | OFDA4 AID-DFD-G-00-10-00086-00 01 September 2010 to 28 February 2011 | Chad | Provide support for a program entitled, "Emergency Program to Strengthen Public Health and Malaria Control Services for the Most Vulnerable IDP and Host Communities in Eastern Chad" |
| 8. | PMI MCP AID-GHS-A-00-08-00011-00 30 September 2008 to 29 September 2011 | Liberia | Establishment of national level best practice for malaria control with international and national partners in Liberia. |
| 9. | USAID 674-A-00-08-00096-00 1 October 2008 to 30 September 2011 | Angola | Pilot study in the private sector distribution of Artemisinin- based Combination Therapy (ACT) in Angola. |
| 10. | WL3 690-A-00-06-00092-00/AA-07-03 22 October 2007 to 30 September 2011 | Angola | Support to reduce malaria related mortality in Huambo province. |
| 11. | WL4 690-A-00-06-00092-00/EA-07-05 22 October 2007 to 30 September 2011 | Angola | Support to reduce malaria related mortality in Zaire province. |

THE MENTOR INITIATIVE

SUMMARY

YEAR ENDED 30 SEPTEMBER 2011

Summary of Prior Year findings

Prior audit findings from 2010 have been followed up and resolved. The MENTOR Initiative have made significant investment into strengthening and expanding the HQ and field level structure in the last year and this is shown in the reduction of the matters raised in the management letter.

Indirect Cost Rates

The final indirect cost rate of **12.33%** calculated on the results for the year has been used in the preparation of the Fund Accountability Statement for the year ended 30th September 2011.

Objectives and Scope of the Audit

We audited the MENTOR Initiative's Fund Accountability Statement in accordance with U.S Government Auditing Standards and USAID Guidelines for Financial Audits contracted by Foreign Recipients.

Objectives:

The specific objectives of the audit of the USAID funds are to:

- a. Express an opinion on whether the fund accountability statement for the USAID-funded programs present fairly, in all material aspects, revenues received, costs incurred, and commodities directly procured by USAID for the period audited in conformity with the terms of the agreements and generally accepted accounting principles or other comprehensive basis of accounting (including the cash receipts and disbursements basis and modifications of the cash basis).
- b. Evaluate the recipient's internal control related to the USAID- funded programs, assess control risk, and identify significant deficiencies including material weaknesses.
- c. Perform tests to determine whether the recipient complied, in all material respects, with agreement terms and applicable laws and regulations related to USAID- funded programs. All material instances of noncompliance and all illegal acts that have occurred or are likely to have occurred should be identified.
- d. Perform an audit of the indirect cost.
- e. Determine if the recipient has taken adequate corrective action on prior audit report recommendations.

The procedures performed for the audit of the USAID included:

- a. Obtaining and reviewing all relevant agreements and budgets
- b. Checking a sample of direct and indirect costs to supporting documentation ensuring that costs are allowable and reasonable, identifying any questioned costs.
- c. Ensuring that correct procedures had taken place and the correct procurement procedures were followed.
- d. Reconciling the Fund Accountability Statement to the general and program ledgers. Ensuring the costs were correctly recorded in the ledgers.
- e. Reviewing bank accounts and controls on bank accounts.
- f. Checking that all funding received from USAID was appropriately recorded in the accounting records.
- g. Checking that the correct indirect cost rate was used and the allocation method in the calculating the rate was correct.

There was no scope in limitation.

Summary of Auditors' Results

1. The auditors' report expresses an unqualified opinion on the Fund Accountability Statement of The MENTOR Initiative.
2. No reportable conditions relating to the audit of the Fund Accountability Statement were disclosed during the audit.
3. No instances of non-compliance material to the Fund Accountability Statement of The MENTOR Initiative were disclosed during the audit.
4. The auditors' report on compliance for Fund Accountability Statement for The MENTOR Initiative expresses an unqualified opinion.
5. No reportable audit findings relative to the Fund Accountability Statement for The MENTOR Initiative were disclosed during the audit.
6. A number of internal control findings were disclosed and these are detailed in the management letter attached to this report.

THE MENTOR INITIATIVE

5. NOTES TO FUND ACCOUNTABILITY STATEMENT

YEAR ENDED 30 SEPTEMBER 2011

FINDINGS AND QUESTIONED COSTS – FUNDS ACCOUNTABILITY AUDIT

During the audit, no unsupported costs were found.

SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES

As per the Statutory Accounts – note 1.2 Compliance with accounting standards

'The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently' insofar as they are relevant to the statement.

26 July 2012

The Board of Directors
The MENTOR Initiative
Shaw House
Pegler Way
Crawley
RH11 7AF

Our ref:
NF/T1351/kt

Your ref:

Dear Sirs

Audit of the Fund Accountability Statements of THE MENTOR INITIATIVE

We have now completed the audit of MENTOR Initiative for the period ended 30 September 2011 and would like to take this opportunity to thank you and your staff for the co-operation and assistance received.

Material weaknesses in the accounting and internal control systems

No material weaknesses in the accounting and internal control systems have been identified by us during our audit of the financial statements for the period under review.

We attach as appendix to this report other matters concerning the operation of the accounting and control systems that we consider should be brought to your attention. We look forward to receiving your responses on the points raised.

We would note that due to the nature of an audit that we may not have identified all weaknesses within the accounting and internal control systems which may exist and the contents of this section of our letter and any appendices to this letter should not therefore be taken as a comprehensive list of such weaknesses.

This report is intended for the information of the MENTOR Initiative and the U.S. Agency for International Development (USAID). However, upon release by USAID, this report is a matter of public record and its distribution is not limited.

If you have any concerns or questions arising from this letter, please contact either Neil Finlayson or Kathryn Faulkner.

Yours faithfully



KINGSTON SMITH LLP

Kingston Smith LLP Chartered Accountants
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| | <u>MATTER ARISING</u> | <u>IMPLICATION</u> | <u>RECOMMENDATION</u> | <u>RESPONSE</u> |
|----|--|--|---|-----------------|
| 1. | <p><u>Declarations of Interests</u></p> <p>New personnel are not requested to formally declare any potential conflicts of interests that may arise with suppliers.</p> | <p>A declaration will identify any potential conflicts of interests.</p> | <p>We recommend that signed declarations are obtained from new personnel detailing any potential conflicts of interest.</p> <p>We understand that has been implemented for all new personnel.</p> | |

26 July 2012

The Board of Directors
The MENTOR Initiative
Shaw House
Pegler Way
Crawley
RH11 7AF

Our ref: NMF/T1351/kt

Your ref:

Dear Sirs,

REPORT OF THE INDEPENDENT AUDITOR TO THE BOARD OF THE DIRECTORS OF THE MENTOR INITIATIVE ON THE FUND ACCOUNTABILITY STATEMENT FOR USAID FOR THE YEAR ENDED 30 SEPTEMBER 2011

We have audited the fund accountability statement of The MENTOR Initiative for the period ended 30 September 2011. The fund accountability statement is the responsibility of The MENTOR Initiative's management. Our responsibility is to express an opinion on the fund accountability statement based on our audit.

We conducted our audit of the fund accountability statement in accordance with US Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the fund accountability statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the fund accountability statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the fund accountability statement referred to above presents fairly, in all material respects, program revenues, costs incurred and reimbursed, and commodities and technical assistance directly procured by USAID for the period then ended in accordance with the terms of the agreements and conformity with the basis of accounting adopted by The MENTOR Initiative, which is in compliance with the Accounting Standards insofar as they are relevant to the statement.

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In accordance with US Government Auditing Standards, we have also issued our reports dated 26 July 2012 on our consideration of The MENTOR Initiative's internal control and financial reporting and our tests of its compliance with certain provisions of laws and regulations. Those reports are an integral part of an audit performed in accordance with US Government Auditing Standards and should be read in conjunction with this Independent Auditor's Report in considering the results of our audit.

This report is intended for the information of The MENTOR Initiative and the US Agency for International Development (USAID). However, upon release by USAID, this report is a matter of public record and its distribution is not limited.

Kingston Smith LLP

KINGSTON SMITH LLP

Date: *26/7/2012*

The MENTOR Initiative
 FUND ACCOUNTABILITY STATEMENT
 Year Ending 30 September 2011

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>QUESTIONED COSTS UNSUPPORTED</u> | <u>NOTES</u> |
|---|-------------------------|-------------------------|---|--------------|
| <u>AGENCY: USAID</u> | | | | |
| <u>REVENUE</u> | | | | |
| OFDA HT | \$ -814,761.00 | \$ -814,761.00 | | |
| OFDA2 Lib | \$ -327,693.00 | \$ -322,140.00 | | |
| OFDA3 Chad | \$ -10,516.27 | \$ -10,516.27 | | |
| OFDA4 Chad | \$ -589,336.00 | \$ -596,190.00 | | |
| PMI MCP Lib | \$ -240,000.00 | \$ -260,980.00 | | |
| PSI3 Ang | \$ -235,108.00 | \$ -235,021.00 | | |
| USAID Ang | \$ -433,644.43 | \$ -409,944.43 | | |
| WL3 Ang | \$ -500,000.00 | \$ -498,238.76 | | |
| WL4 Ang | \$ -500,000.00 | \$ -466,722.00 | | |
| | <u>\$ -3,651,058.70</u> | <u>\$ -3,614,513.46</u> | | |
| <u>COSTS INCURRED</u> | | | | |
| I TANGIBLE ASSETS | | | | |
| USAID Ang | \$ 18,000.00 | \$ - | | |
| WL4 Ang | \$ 52,000.00 | \$ 49,111.45 | | |
| | <u>\$ 70,000.00</u> | <u>\$ 49,111.45</u> | | |
| II PERSONNEL | | | | |
| OFDA HT | \$ 289,785.74 | \$ 336,706.10 | | |
| OFDA2 Lib | \$ 160,930.00 | \$ 158,637.10 | | |
| OFDA4 Chad | \$ 169,176.83 | \$ 169,927.31 | | |
| PMI MCP Lib | \$ 104,525.00 | \$ 94,790.53 | | |
| PSI3 Ang | \$ 9,700.00 | \$ 14,032.40 | | |
| USAID Ang | \$ 140,523.00 | \$ 128,209.74 | | |
| WL3 Ang | \$ 252,188.00 | \$ 217,758.07 | | |
| WL4 Ang | \$ 240,978.00 | \$ 209,365.05 | | |
| | <u>\$ 1,367,806.57</u> | <u>\$ 1,329,426.30</u> | | |
| III FRINGE BENEFITS | | | | |
| OFDA HT | \$ 85,443.89 | \$ 62,696.38 | | |
| OFDA2 Lib | \$ 10,139.00 | \$ 21,594.07 | | |
| OFDA4 Chad | \$ 11,313.52 | \$ 14,323.97 | | |
| PMI MCP Lib | \$ 7,767.00 | \$ 2,571.51 | | |
| PSI3 Ang | \$ - | \$ 3,221.05 | | |
| USAID Ang | \$ 37,324.00 | \$ 29,598.40 | | |
| WL3 Ang | \$ 42,013.00 | \$ 35,617.26 | | |
| WL4 Ang | \$ 43,286.00 | \$ 37,216.22 | | |
| | <u>\$ 237,286.41</u> | <u>\$ 206,838.86</u> | | |
| IV TRAVEL | | | | |
| OFDA HT | \$ 27,986.13 | \$ 32,083.92 | | |
| OFDA2 Lib | \$ 14,730.00 | \$ 14,562.53 | | |
| OFDA4 Chad | \$ 22,840.78 | \$ 27,946.33 | | |
| PMI MCP Lib | \$ 12,527.00 | \$ 11,564.56 | | |
| PSI3 Ang | \$ 660.00 | \$ - | | |
| USAID Ang | \$ 8,800.00 | \$ 3,716.62 | | |
| WL3 Ang | \$ 11,140.00 | \$ 11,277.98 | | |
| WL4 Ang | \$ 4,640.00 | \$ 8,716.75 | | |
| | <u>\$ 103,323.91</u> | <u>\$ 109,868.69</u> | | |
| V EQUIPMENT & EQUIPMENT HIRE | | | | |
| OFDA HT | \$ 143,791.93 | \$ 134,831.58 | | |
| OFDA2 Lib | \$ 2,500.00 | \$ 4,366.00 | | |
| OFDA4 Chad | \$ 51,650.13 | \$ 45,326.82 | | |
| PMI MCP Lib | \$ - | \$ 2,100.00 | | |
| PSI3 Ang | \$ 43,137.00 | \$ 26,319.62 | | |
| USAID Ang | \$ 1,850.00 | \$ 6,000.00 | | |
| WL3 Ang | \$ 2,000.00 | \$ 850.00 | | |
| WL4 Ang | \$ 6,400.00 | \$ 2,458.88 | | |
| | <u>\$ 251,329.06</u> | <u>\$ 222,252.90</u> | | |
| VI SUPPLIES | | | | |
| OFDA HT | \$ 155,413.27 | \$ 124,283.34 | | |
| OFDA2 Lib | \$ 48,161.19 | \$ 45,084.19 | | |
| OFDA4 Chad | \$ 210,901.71 | \$ 209,099.25 | | |
| PMI MCP Lib | \$ 22,791.00 | \$ 22,768.17 | | |
| PSI3 Ang | \$ 150,856.00 | \$ 147,017.31 | | |
| USAID Ang | \$ 52,120.00 | \$ 89,097.02 | | |
| WL3 Ang | \$ 61,385.00 | \$ 64,002.50 | | |
| WL4 Ang | \$ 46,070.00 | \$ 24,826.47 | | |
| | <u>\$ 747,698.17</u> | <u>\$ 726,177.25</u> | | |

The MENTOR Initiative
 FUND ACCOUNTABILITY STATEMENT
 Year Ending 30 September 2011

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>QUESTIONED COSTS UNSUPPORTED</u> | <u>NOTES</u> |
|--|----------------------|----------------------|---|--------------|
| VII OCCUPANCY | | | | |
| OFDA HT | \$ 78,647.25 | \$ 65,170.29 | | |
| OFDA2 Lib | \$ 41,111.00 | \$ 45,540.25 | | |
| OFDA4 Chad | \$ 28,184.03 | \$ 29,742.74 | | |
| PMI MCP Lib | \$ 28,020.00 | \$ 32,760.86 | | |
| PSI3 Ang | \$ - | \$ 403.07 | | |
| USAID Ang | \$ 6,960.00 | \$ 5,361.92 | | |
| WL3 Ang | \$ 32,520.00 | \$ 35,240.79 | | |
| WL4 Ang | \$ 10,800.00 | \$ 14,583.83 | | |
| | <u>\$ 226,242.28</u> | <u>\$ 228,803.75</u> | | |
| VIII INSURANCE | | | | |
| OFDA2 Lib | \$ 1,800.00 | \$ -505.59 | | |
| OFDA4 Chad | \$ 3,365.10 | \$ 2,732.50 | | |
| PMI MCP Lib | \$ 1,560.00 | \$ 147.44 | | |
| USAID Ang | \$ 5,000.00 | \$ 2,463.75 | | |
| WL3 Ang | \$ 12,000.00 | \$ 9,442.00 | | |
| WL4 Ang | \$ 9,000.00 | \$ 10,941.25 | | |
| | <u>\$ 32,725.10</u> | <u>\$ 25,221.35</u> | | |
| IX COMMUNICATION | | | | |
| OFDA HT | \$ 7,428.78 | \$ 5,916.32 | | |
| OFDA2 Lib | \$ 5,830.00 | \$ 4,173.50 | | |
| OFDA4 Chad | \$ 15,126.70 | \$ 11,862.78 | | |
| PMI MCP Lib | \$ 4,380.00 | \$ 3,362.50 | | |
| PSI3 Ang | \$ 1,000.00 | \$ 1,092.94 | | |
| USAID Ang | \$ 5,768.00 | \$ 2,664.07 | | |
| WL3 Ang | \$ 8,400.00 | \$ 13,216.73 | | |
| WL4 Ang | \$ 9,380.00 | \$ 8,549.58 | | |
| | <u>\$ 57,293.48</u> | <u>\$ 50,838.42</u> | | |
| X EQUIPMENT MAINTENANCE | | | | |
| OFDA HT | \$ 17,426.74 | \$ 13,523.43 | | |
| OFDA2 Lib | \$ 29,810.00 | \$ 27,130.87 | | |
| OFDA4 Chad | \$ 20,050.55 | \$ 27,160.71 | | |
| PMI MCP Lib | \$ 25,920.00 | \$ 21,751.38 | | |
| PSI3 Ang | \$ 6,456.00 | \$ 17,611.52 | | |
| USAID Ang | \$ 9,600.00 | \$ 5,395.98 | | |
| WL3 Ang | \$ 26,640.00 | \$ 29,816.72 | | |
| WL4 Ang | \$ 25,200.00 | \$ 30,348.61 | | |
| | <u>\$ 161,103.29</u> | <u>\$ 172,739.22</u> | | |
| XI PROFESSIONAL SERVICES | | | | |
| OFDA HT | \$ 4,500.00 | \$ 5,916.76 | | |
| OFDA2 Lib | \$ 4,750.00 | \$ 6,443.21 | | |
| OFDA4 Chad | \$ 842.99 | \$ 11,511.94 | | |
| PMI MCP Lib | \$ 1,621.00 | \$ 3,123.07 | | |
| PSI3 Ang | \$ - | \$ 1,595.00 | | |
| USAID Ang | \$ 1,700.00 | \$ 2,106.01 | | |
| WL3 Ang | \$ 1,396.00 | \$ 3,868.24 | | |
| WL4 Ang | \$ 1,516.00 | \$ 8,453.96 | | |
| | <u>\$ 16,325.99</u> | <u>\$ 43,018.19</u> | | |
| XII BANK CHARGES & DEBIT INTEREST | | | | |
| OFDA HT | \$ - | \$ 1,607.77 | | |
| OFDA2 Lib | \$ 3,000.00 | \$ 3,482.73 | | |
| OFDA4 Chad | \$ - | \$ 863.32 | | |
| PMI MCP Lib | \$ 1,600.00 | \$ 2,923.65 | | |
| USAID Ang | \$ 720.34 | \$ 672.00 | | |
| WL3 Ang | \$ 768.00 | \$ 2,344.50 | | |
| WL4 Ang | \$ 1,200.00 | \$ 973.75 | | |
| | <u>\$ 7,288.34</u> | <u>\$ 12,867.72</u> | | |
| XIII DEPRECIATION | | | | |
| WL3 Ang | \$ - | \$ -4,094.24 | | |
| | <u>\$ -</u> | <u>\$ -4,094.24</u> | | |
| XIV INDIRECT | | | | |
| OFDA HT | \$ 83,943.04 | \$ 83,179.17 | | |
| OFDA2 Lib | \$ 44,863.81 | \$ 40,752.00 | | |
| OFDA4 Chad | \$ 58,402.52 | \$ 67,876.00 | | |
| PMI MCP Lib | \$ 29,289.00 | \$ 27,503.05 | | |
| PSI3 Ang | \$ 23,299.00 | \$ 26,052.00 | | |
| USAID Ang | \$ 31,720.19 | \$ 33,943.00 | | |
| WL3 Ang | \$ 49,550.00 | \$ 51,705.00 | | |
| WL4 Ang | \$ 49,550.00 | \$ 50,004.00 | | |
| | <u>\$ 370,617.56</u> | <u>\$ 381,014.22</u> | | |

The MENTOR Initiative
 FUND ACCOUNTABILITY STATEMENT
 Year Ending 30 September 2011

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>QUESTIONED COSTS</u> <u>UNSUPPORTED</u> | <u>NOTES</u> |
|--|-----------------|------------------|---|--------------|
| Total Costs Incurred for Agency | \$ 3,648,040.16 | \$ 3,554,084.08 | | |
| Total Funds received from Agency | | \$ -3,614,513.46 | Cr | |
| Total Costs Incurred for Agency | | \$ 3,554,084.08 | Dr | |
| Brought forward funds from Agency | | \$ 211,674.53 | Dr | |
| Outstanding fund balance with Agency | | \$ 151,245.15 | Dr | \$ - |
| <u>COMMODITIES DIRECTLY PROCURED BY AGENCY</u> | | | | |
| <u>SUPPLIES</u> | | | | |
| USAID Ang | \$ 42,995.00 | \$ 42,994.80 | | |
| | \$ 42,995.00 | \$ 42,994.80 | | |
| Total Procurement by Agency | \$ 42,995.00 | \$ 42,994.80 | \$ - | |
| Total Questioned Costs for Agency | | | \$ - | Note 1 |
| <u>END OF AGENCY: USAID</u> | | | | |

The MENTOR Initiative
 FUND ACCOUNTABILITY STATEMENT
 Year Ending 30 September 2011

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>QUESTIONED COSTS UNSUPPORTED</u> | <u>NOTES</u> |
|--|-----------------------|-----------------------|---|--------------|
| <u>AGENCY: STATE DEPARTMENT</u> | | | | |
| <u>REVENUE</u> | | | | |
| BPRM Ang | \$ 13,042.04 | \$ 13,042.04 | | |
| BPRM Lib | \$ -586.63 | \$ -586.63 | | |
| BPRM4 Chad | \$ -75,682.87 | \$ -75,682.87 | | |
| BPRM5 Chad | \$ -467,900.00 | \$ -467,900.00 | | |
| BPRM6 Chad | \$ -64,207.52 | \$ - | | |
| | <u>\$ -595,334.98</u> | <u>\$ -531,127.46</u> | | |
| <u>COSTS INCURRED</u> | | | | |
| I TANGIBLE ASSETS | | | | |
| | <u>\$ -</u> | <u>\$ -</u> | | |
| II PERSONNEL | | | | |
| BPRM5 Chad | \$ 161,854.75 | \$ 168,475.32 | | |
| BPRM6 Chad | \$ 24,077.49 | \$ 19,755.21 | | |
| | <u>\$ 185,932.24</u> | <u>\$ 188,230.53</u> | | |
| III FRINGE BENEFITS | | | | |
| BPRM5 Chad | \$ 32,250.71 | \$ 20,993.56 | | |
| BPRM6 Chad | \$ 4,449.33 | \$ 2,781.24 | | |
| | <u>\$ 36,700.04</u> | <u>\$ 23,774.80</u> | | |
| IV TRAVEL | | | | |
| BPRM5 Chad | \$ 9,040.00 | \$ 7,787.00 | | |
| BPRM6 Chad | \$ 834.70 | \$ 2,852.90 | | |
| | <u>\$ 9,874.70</u> | <u>\$ 10,639.90</u> | | |
| V EQUIPMENT & EQUIPMENT HIRE | | | | |
| BPRM5 Chad | \$ 46,066.92 | \$ 27,376.59 | | |
| BPRM6 Chad | \$ 5,881.42 | \$ 2,364.64 | | |
| | <u>\$ 51,948.34</u> | <u>\$ 29,741.23</u> | | |
| VI SUPPLIES | | | | |
| BPRM5 Chad | \$ 123,721.36 | \$ 131,542.82 | | |
| BPRM6 Chad | \$ 15,351.02 | \$ 3,103.16 | | |
| | <u>\$ 139,072.38</u> | <u>\$ 134,645.98</u> | | |
| VII OCCUPANCY | | | | |
| BPRM5 Chad | \$ 17,279.51 | \$ 12,752.85 | | |
| BPRM6 Chad | \$ 1,386.89 | \$ 2,144.68 | | |
| | <u>\$ 18,666.40</u> | <u>\$ 14,897.53</u> | | |
| VIII INSURANCE | | | | |
| BPRM5 Chad | \$ 8,762.92 | \$ 3,704.09 | | |
| BPRM6 Chad | \$ 385.25 | \$ 184.48 | | |
| | <u>\$ 9,148.17</u> | <u>\$ 3,888.57</u> | | |
| IX COMMUNICATION | | | | |
| BPRM5 Chad | \$ 10,771.43 | \$ 9,461.05 | | |
| BPRM6 Chad | \$ 1,155.74 | \$ 1,280.95 | | |
| | <u>\$ 11,927.17</u> | <u>\$ 10,742.00</u> | | |
| X EQUIPMENT MAINTENANCE | | | | |
| BPRM5 Chad | \$ 16,723.01 | \$ 37,912.53 | | |
| BPRM6 Chad | \$ 3,698.36 | \$ 2,405.24 | | |
| | <u>\$ 20,421.37</u> | <u>\$ 40,317.77</u> | | |
| XI PROFESSIONAL SERVICES | | | | |
| BPRM5 Chad | \$ 744.00 | \$ 5,270.76 | | |
| BPRM6 Chad | \$ 128.42 | \$ 1,857.00 | | |
| | <u>\$ 872.42</u> | <u>\$ 7,127.76</u> | | |
| XII BANK CHARGES & DEBIT INTEREST | | | | |
| BPRM5 Chad | \$ - | \$ 287.51 | | |
| BPRM6 Chad | \$ - | \$ 18.31 | | |
| | <u>\$ -</u> | <u>\$ 305.82</u> | | |
| XIII DEPRECIATION | | | | |
| | <u>\$ -</u> | <u>\$ -</u> | | |
| XIV INDIRECT | | | | |
| BPRM5 Chad | \$ 46,993.95 | \$ 52,472.00 | | |
| BPRM6 Chad | \$ 6,858.92 | \$ 4,778.00 | | |
| | <u>\$ 53,852.87</u> | <u>\$ 57,250.00</u> | | |

The MENTOR Initiative
 FUND ACCOUNTABILITY STATEMENT
 Year Ending 30 September 2011

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>QUESTIONED COSTS</u> <u>UNSUPPORTED</u> | <u>NOTES</u> |
|---|---------------|------------------|---|--------------|
| | \$ 538,416.10 | \$ 521,561.89 | | |
| Total Funds received from Agency | | \$ -531,127.46 | Cr | |
| Total Costs Incurred for Agency | | \$ 521,561.89 | Dr | |
| Brought forward funds from Agency | | \$ 129,002.40 | Dr | |
| Outstanding fund balance with Agency | | \$ 119,436.83 | Dr | \$ - |
| <u>COMMODITIES DIRECTLY PROCURED BY AGENCY</u> | | | | |
| SUPPLIES | | | | |
| | \$ - | \$ - | | |
| Total Procurement by Agency | \$ - | \$ - | \$ - | |
| Total Questioned Costs for Agency | | | \$ - | Note 2 |
| <u>END OF AGENCY: STATE DEPARTMENT</u> | | | | |
| Total Funds received from U.S. Govt. | | \$ -4,145,640.92 | Cr | |
| Total Costs Incurred for U.S. Govt. | | \$ 4,075,645.97 | Dr | |
| Brought forward funds from U.S. Govt. | | \$ 340,676.93 | Dr | |
| Outstanding fund balance with U.S. Govt. | | \$ 270,681.98 | Dr | \$ - |

NOTES

- 1 The \$n of unsupported costs represent ...
- 2 The \$n of unsupported costs represent ...

26 July 2012

The Board of Directors
The MENTOR Initiative
Shaw House
Pegler Way
Crawley
RH11 7AF

Our ref: NMF/T1351/kt

Your ref:

Dear Sirs,

REPORT OF THE INDEPENDENT AUDITOR TO THE BOARD OF THE DIRECTORS OF THE MENTOR INITIATIVE ON INTERNAL CONTROL FOR THE YEAR ENDED 30 SEPTEMBER 2011

We have audited the fund accountability statement of The MENTOR Initiative as of and for the period ended 30 September 2011 and have issued our report on it dated 26 July 2012.

We conducted our audit in accordance with US Government Auditing Standards issued by the Comptroller General of the United States. In planning and performing our audit, we considered the entity's internal control over financial reporting (internal control) as a basis for designing out auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

However, we noted certain matters involving internal control and its operation that we have reported to the management of The MENTOR Initiative in a separate letter.

This report is intended for the information of The MENTOR Initiative and the U.S. Agency for International Development (USAID). However, upon release by USAID, this report is a matter of public record and its distribution is not limited.



KINGSTON SMITH LLP

Date: 26/7/2012

Kingston Smith LLP Chartered Accountants
Devonshire House, 60 Goswell Road, London EC1M 7AD Telephone 020 7566 4000 Fax 020 7566 4010 ks@ks.co.uk www.ks.co.uk

Also at: Hayes, Redhill, Romford, St Albans, West End (London)

Partners Sir Michael Snyder Martin Muirhead Steven Neal Julie Walsh Nicholas Brooks Martin Burchmore Nigel Birch Maureen Penfold Robert Surman Parveen Chadda Amanda Merron Adrian Houstoun Janice Riches Christopher Lane David Goodridge Keith Halstead Cliff Ireton Andrew Shaw David Childs Graham Tyler Paul Samrah Graham Morgan David Benton Christopher Hughes Jonathan Sutcliffe Jonathan Seymour David Montgomery Neil Finlayson Brian R Pope Moira Hindson Esther Carder John Staniforth Heather Powell Silvia Vitello Marc Fecher Sandra De Lord Tim Stovold Mark Twum-Ampofo Daniel Martine Matthew Meadows James Cross Gordon Follows Thomas Moore Paul Spindler Tessa Park Richard Heap Ian Graham Anjali Kothari Simon Clark Jon Dawson Steven Rushmer

Registered to carry out audit work and regulated for a range of investment business activities by the Institute of Chartered Accountants in England and Wales
Registered in England and Wales as a Limited Liability Partnership: No OC317343 Registered office: Devonshire House, 60 Goswell Road, London EC1M 7AD

26 July 2012

The Board of Directors
The MENTOR Initiative
Shaw House
Pegler Way
Crawley
RH11 7AF

Our ref: NMF/T1351/kt

Your ref:

Dear Sirs,

REPORT OF THE INDEPENDENT AUDITOR TO THE BOARD OF THE DIRECTORS OF THE MENTOR INITIATIVE ON COMPLIANCE FOR THE PERIOD ENDED 30 SEPTEMBER 2011

We have audited the fund accountability statement of The MENTOR Initiative as of and for the period ended 30 September 2011 and have issued our report on it dated 26 July 2012.

We conducted our audit in accordance with US Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the fund accountability statement is free of material misstatement resulting from violations of agreement terms and laws and regulations that have a direct and material effect on the determination of the fund accountability statement amounts.

Compliance with agreement terms and laws and regulations applicable to The MENTOR Initiative is the responsibility of The MENTOR Initiative's management. As part of obtaining reasonable assurance about whether the fund accountability statement is free of material misstatement, we performed tests of The MENTOR Initiative's compliance with certain provisions of agreement terms and laws and regulations. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The result of our tests disclosed no instance of non-compliance that are required to be reported herein under US Government Auditing Standards.

We noted certain immaterial instances of non-compliance that we have reported to the management of The MENTOR Initiative in a separate letter dated xxJuly 2012.

This report is intended for the information of The MENTOR Initiative and the U.S Agency for International Development (USAID). However, upon release by USAID, this report is a matter of public record and its distribution is not limited.

Kst LA LUP

KINGSTON SMITH LLP

26/7/2012
Date Kingston Smith LLP Chartered Accountants

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26 July 2012

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Your ref:

Dear Sirs,

REPORT OF THE INDEPENDENT AUDITOR TO THE BOARD OF THE DIRECTORS OF THE MENTOR INITIATIVE ON COMPLIANCE FOR THE PERIOD ENDED 30 SEPTEMBER 2011

We have audited the fund accountability statement of The MENTOR Initiative as of and for the period ended 30 September 2011 and have issued our report on it dated 26 July 2012.

We conducted our audit in accordance with US Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the fund accountability statement is free of material misstatement resulting from violations of agreement terms and laws and regulations that have a direct and material effect on the determination of the fund accountability statement amounts.

Compliance with agreement terms and laws and regulations applicable to The MENTOR Initiative is the responsibility of The MENTOR Initiative's management. As part of obtaining reasonable assurance about whether the fund accountability statement is free of material misstatement, we performed tests of The MENTOR Initiative's compliance with certain provisions of agreement terms and laws and regulations. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The result of our tests disclosed no instance of non-compliance that are required to be reported herein under US Government Auditing Standards.

We noted certain immaterial instances of non-compliance that we have reported to the management of The MENTOR Initiative in a separate letter dated 26 July 2012.

This report is intended for the information of The MENTOR Initiative and the U.S Agency for International Development (USAID). However, upon release by USAID, this report is a matter of public record and its distribution is not limited.



KINGSTON SMITH LLP

Date: 26/7/2012
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26 July 2012

The Board of Directors
The MENTOR Initiative
Shaw House
Pegler Way
Crawley
RH11 7AF

Our ref: NMF/T1351/kt

Your ref:

Dear Sirs,

REPORT OF THE INDEPENDENT AUDITOR TO THE BOARD OF THE DIRECTORS OF THE MENTOR INITIATIVE ON SCHEDULE OF COMPUTATION OF INDIRECT COST RATE FOR THE PERIOD ENDED 30 SEPTEMBER 2011

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole.

The schedule of computation of indirect cost rate that is attached is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as whole.

Ykt - LK LIP

KINGSTON SMITH LLP

Date: *26/7/2012*

Kingston Smith LLP Chartered Accountants
Devonshire House, 60 Goswell Road, London EC1M 7AD Telephone 020 7566 4000 Fax 020 7566 4010 ks@ks.co.uk www.ks.co.uk

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THE MENTOR INITIATIVE

**SCHEDULE OF INDIRECT COST RATE
FOR THE YEAR ENDED 30 SEPTEMBER 2011**

| | Expenses | Exclusions | Unallowable and included in Direct cost base | Direct costs | Indirect cost pool |
|---------------------------------------|-----------------------|----------------|--|------------------|-----------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Representation | - | - | - | - | - |
| Personnel | 2,654,988 | - | 10,818 | 2,278,004 | 366,167 |
| Fringe benefits | 303,210 | - | - | 302,003 | 1,207 |
| Travel | 261,058 | - | - | 241,184 | 19,874 |
| Equipment hire & low-value purchase | 533,925 | - | - | 523,527 | 10,398 |
| Supplies | 2,750,333 | 178,261 | - | 2,569,080 | 2,992 |
| Contractual | - | - | - | - | - |
| Occupancy | 354,678 | - | - | 321,975 | 32,703 |
| Insurance | 40,799 | - | - | 40,446 | 353 |
| Communication | 117,506 | - | - | 100,633 | 16,873 |
| Equipment operation & maintenance | 411,626 | - | - | 409,527 | 2,099 |
| Professional services | 496,903 | - | - | 102,448 | 394,455 |
| Bank charges & debit interest | 25,393 | - | - | 14,617 | 10,776 |
| Taxes & duties | 279 | - | - | - | 279 |
| Depreciation | 45,678 | - | - | 45,678 | - |
| Bad debts | 3,293 | 3,293 | - | - | - |
| Entertainment | 223 | 223 | - | - | - |
| Governance | 24 | - | - | - | 24 |
| Miscellaneous | 11,300 | 11,300 | - | - | - |
| | 8,011,214 | 193,077 | 10,818 | 6,949,120 | 858,199 |
| | | | | | |
| Indirect costs | | | | | 858,199 |
| Unallowable costs in Direct cost base | | | | | 10,818 |
| Direct costs | | | | | 6,949,120 |
| | | | | | |
| Indirect cost rate (I / (U + D)) | <u>Indirect costs</u> | | <u>858,199</u> | = | 12.33% |
| | Direct cost base | | 6,959,938 | | |