

**THE MENTOR INITIATIVE**  
**FUND ACCOUNTABILITY STATEMENT AND SCHEDULE OF COMPUTATION OF**  
**INDIRECT COST RATE FOR USAID**  
**YEAR ENDED 30 SEPTEMBER 2009**

**THE MENTOR INITIATIVE**  
**YEAR ENDED 30 SEPTEMBER 2009**

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## THE MENTOR INITIATIVE

### 1. SUMMARY YEAR ENDED 30 SEPTEMBER 2009

We have audited the Fund Accountability Statement for MENTOR Initiative for year ended 30 September 2009 (1 October 2008 – 30 September 2009).

#### 1. Programme Background

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

	<b>Programme/Period of Award</b>	<b>Location</b>	<b>Background</b>
1.	BPRM2 SPRMCO07CA082 15 August 2007 to 14 August 2008	Chad	The MENTOR Initiative expanded support to NGOs, UN and MoH to scale up effective malaria control amongst refugees from Darfur and CAR in the east and south of Chad.
2.	BPRM3 SPRMCO08CA094 15 August 2008 to 14 August 2009	Chad	The MENTOR Initiative expanded support to NGOs, UN and MoH to scale up effective malaria control amongst refugees from Darfur and CAR in the east and south of Chad.
3.	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
4.	OFDA DFD-G-00-08-00179-00 28 May 2008 to 31 August 2009	Burma	Emergency malaria and dengue fever control in the cyclone Nargis affected areas, for 500,000 people.
5.	OFDA DFD-G-00-07-0096-00 01 May 2007 to 30 April 2008	Chad	Emergency malaria control for 120,000 IDPs and 70,000 conflict affected Chadians in Goz Beida district of eastern Chad.
6.	OFDA2 DFD-G-00-08-00147-00 01 May 2008 to 01 March 2009	Chad	Emergency malaria control for 120,000 IDPs and 70,000 conflict affected Chadians in Goz Beida district of eastern Chad.
7.	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.

- |     |  |         |  |
|-----|--|---------|--|
| 8.  | OFDA3<br>DFD-G-00-09-00121-00<br>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 |
| 9.  | PMI MCP<br>GHS-A-00-08-00011-00<br>30 September 2008 to 29 September 2011              | Liberia | Establishment of national level best practice for malaria control with international and national partners in Liberia.                                   |
| 10. | WL<br>690-A-00-06-00092-00/2006-9-30<br>(HBO)<br>15 November 2006 to 31 December 2007  | Angola  | Support to reduce malaria related mortality in Huambo province.  |
| 11. | WL2<br>690-A-00-06-00092-00/2006-9-30<br>(MBC)<br>15 November 2006 to 31 December 2007 | Angola  | Support to reduce malaria related mortality in Zaire province.   |
| 12. | WL3<br>690-A-00-06-00092-00/AA-07-03<br>22 October 2007 to 30 September 2011           | Angola  | Support to reduce malaria related mortality in Huambo province.  |
| 13. | WL4<br>690-A-00-06-00092-00/EA-07-05<br>22 October 2007 to 30 September 2011           | Angola  | Support to reduce malaria related mortality in Zaire province.   |
| 14. | USAID<br>674-A-00-08-00096-00<br>1 October 2008 to 30 September 2011                   | Angola  | Pilot study in the private sector distribution of Artemisinin-based Combination Therapy (ACT) in Angola.   |

# THE MENTOR INITIATIVE

## SUMMARY

### YEAR ENDED 30 SEPTEMBER 2009

#### Summary of Prior Year findings

There are no prior audit findings which require follow up during the current period audit. The 2008 audit took place after 30 September 2009 so the improvements were not put in place until after the year end. Management Letter Points raised in the 2008 audit will be reviewed during the 2010 audit.

However, it can be noted that the MENTOR Initiative have made significant investment into strengthening and expanding the HQ and field level structure in the last 15 months and this is shown in the reduction of the matters raised in the management letter.

#### Indirect Cost Rates

The final indirect cost rate of **9.14%** calculated on the results for the year has been used in the preparation of the Fund Accountability Statement for the year ended 30<sup>th</sup> September 2009.

#### Objectives and Scope of the Audit

We audited the MENTOR Initiative's Fund Accountability Statement in accordance with U.S Government and 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.

5 April 2011

The Board of Directors  
The MENTOR Initiative  
Old Grammar School House  
Newmarket Street  
Skipton  
BD23 2JP

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 2009 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 Thomson.

Yours faithfully

**KINGSTON SMITH LLP**

**Kingston Smith LLP** Chartered Accountants

Devonshire House, 60 Goswell Road, London EC1M 7AD Telephone 020 7566 4000 Fax 020 7566 4010 ks@kingstonsmith.co.uk www.kingstonsmith.co.uk

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

**Partners** Sir Michael Snyder Peter Holgate Peter Timms Martin Multhead Steven Neal Julie Walsh Nicholas Brooks Martin Burchmore Nigel Birch Maureen Penfold Michael Sinclair Robert Surman Parveen Chadda Amanda Merron Adrian Houston Janice Riches Christopher Lane David Goodridge Keith Halstead Cliff Iretton 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 Alan Craddock 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

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**THE MENTOR INITIATIVE  
POINTS FOR MANAGEMENT ATTENTION**

	<u>MATTER ARISING</u>	<u>IMPLICATION</u>	<u>RECOMMENDATION</u>	<u>RESPONSE</u>
1.	<p><u>Accounting System</u> At the moment, the finance accounting system is maintained on an excel based system. This is due to the complexities of tailoring a programme to the needs of The MENTOR Initiative.</p>	<p>The excel based system is complex and takes time to maintain. Errors could be made on the spreadsheets.</p>	<p>We recommend a review of computer accounting packages are made to see if there is one suitable to the company's needs. Similar clients use PS Financials, SUN and Quickbooks.</p> <p>We understand that this is taking place and you will move to a new accounting management package shortly.</p>	
2.	<p><u>Authorisation of purchase invoices</u> Due to the limited number of staff, a number of invoices were not authorised by another worker/ more senior and were not stamped with the MENTOR Initiative stamp by the relevant field officer to show the invoice has been authorised. All invoices should be authorised by another person. This amounted to \$4,531 of the expenditure tested.</p>	<p>There is no evidence of authorisation and invoices could be paid in error.</p>	<p>We understand that since the year end, you have established and moved to implement standard procedures for all countries and HQ that ensure that all invoices are approved and signed by a senior representative as part of the approval process, prior to payment.</p> <p>This should be enforced to ensure that all invoices are authorised by senior staff before payment.</p>	



**MENTOR INITIATIVE  
POINTS FOR MANAGEMENT ATTENTION**

	<u>MATTER ARISING</u>	<u>IMPLICATION</u>	<u>RECOMMENDATION</u>	<u>RESPONSE</u>
3.	<p><u>Payment Approval</u></p> <p>When invoices have been paid, they are marked as paid with the date paid. For payments made in Skipton office, it was noted that some invoices were not signed confirming the date of payment.</p>	<p>It is not clear if the invoices have been paid which could lead to duplicate payments.</p>	<p>All invoices should be signed or initialled by the relevant worker to show payment of expense has been made.</p>	

5 April 2011

The Board of Directors  
The MENTOR Initiative  
Old Grammar School House  
Newmarket Street  
Skipton  
BD23 2JP

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 2009**

We have audited the fund accountability statement of The MENTOR Initiative for the period ended 30 September 2009. 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.


**Kingston Smith LLP** Chartered Accountants

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Amanda Merron Adrian Houstoun Janice Riches Christopher Lane David Goodridge Keith Halstead Cliff Iretton 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 Oyler John Staniforth Heather Powell Silvia Vitiello Marc Fecher Alan Craddock 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

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KS International

In accordance with US Government Auditing Standards, we have also issued our reports dated 5 April 2011 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:** *5 April 2011*

The MENTOR Initiative  
 FUNDS ACCOUNTABILITY STATEMENT  
 Year Ending 30 September 2009

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>QUESTIONED COST UNSUPPORTED COSTS</u>	<u>NOTES</u>
<b><u>AGENCY: USAID</u></b>				
<b><u>REVENUE</u></b>				
OFDA Burma	\$ -363,341	\$ -125,883		
OFDA2 Chad	\$ -249,180	\$ -499,296		
OFDA2 Lib	\$ -509,445	\$ -624,626		
OFDA3 Chad	\$ -271,201	\$ -220,265		
PMI MCP Lib	\$ -538,467	\$ -517,940		
USAID Ang	\$ -500,000	\$ -338,218		
WL Ang	\$ -	\$ -18,002		
WL2 Ang	\$ -	\$ -5,954		
WL3 Ang	\$ -550,586	\$ -524,642		
WL4 Ang	\$ -404,163	\$ -376,162		
	<u>\$ -3,386,383</u>	<u>\$ -3,250,989</u>		
<b><u>COSTS INCURRED</u></b>				
<b>I TANGIBLE ASSETS</b>				
OFDA2 Lib	\$ 564	\$ -		
USAID Ang	\$ 28,000	\$ -		
WL4 Ang	\$ 29,002	\$ -14,084		
	<u>\$ 57,566</u>	<u>\$ -14,084</u>		
<b>II PERSONNEL</b>				
OFDA Burma	\$ 113,769	\$ 99,077		
OFDA2 Chad	\$ 97,278	\$ 122,844		
OFDA2 Lib	\$ 163,750	\$ 125,256		
OFDA3 Chad	\$ 115,756	\$ 95,089		
PMI MCP Lib	\$ 223,710	\$ 183,269		
USAID Ang	\$ 155,460	\$ 104,899		
WL3 Ang	\$ 228,131	\$ 178,469		
WL4 Ang	\$ 172,884	\$ 170,617		
	<u>\$ 1,270,739</u>	<u>\$ 1,079,520</u>		
<b>III FRINGE BENEFITS</b>				
OFDA Burma	\$ 17,871	\$ 2,416		
OFDA2 Chad	\$ 16,107	\$ 10,786		
OFDA2 Lib	\$ 10,505	\$ 17,159		
OFDA3 Chad	\$ 22,799	\$ 6,253		
PMI MCP Lib	\$ 15,436	\$ 36,501		
USAID Ang	\$ 34,257	\$ 6,335		
WL3 Ang	\$ 38,928	\$ 26,100	\$ 441	Note 1
WL4 Ang	\$ 33,171	\$ 18,556		
	<u>\$ 189,073</u>	<u>\$ 124,106</u>		
<b>IV TRAVEL</b>				
OFDA Burma	\$ 18,414	\$ 15,545		
OFDA2 Chad	\$ 7,745	\$ 4,865		
OFDA2 Lib	\$ 15,303	\$ 5,340		
OFDA3 Chad	\$ 6,650	\$ 7,647		
PMI MCP Lib	\$ 32,173	\$ 20,608		
USAID Ang	\$ 19,800	\$ 15,322		
WL3 Ang	\$ 20,040	\$ 16,229		
WL4 Ang	\$ 16,540	\$ 7,484		
	<u>\$ 136,664</u>	<u>\$ 93,041</u>		
<b>V EQUIPMENT &amp; EQUIPMENT HIRE</b>				
OFDA Burma	\$ 33,227	\$ 10,759		
OFDA2 Chad	\$ 21,230	\$ 13,981		
OFDA2 Lib	\$ 31,244	\$ 22,892		
OFDA3 Chad	\$ 18,847	\$ 4,603		
PMI MCP Lib	\$ 17,750	\$ 11,154		
USAID Ang	\$ 13,100	\$ 20,691		
WL3 Ang	\$ 16,900	\$ 8,081	\$ 1,000	Note 1
WL4 Ang	\$ 6,300	\$ 19,855		
	<u>\$ 158,598</u>	<u>\$ 112,016</u>		
<b>VI SUPPLIES</b>				
OFDA Burma	\$ 93,559	\$ 74,123	\$ 1,786	Note 1
OFDA2 Chad	\$ 30,465	\$ 16,126		
OFDA2 Lib	\$ 139,559	\$ 118,231		
OFDA3 Chad	\$ 44,415	\$ 18,956		
PMI MCP Lib	\$ 105,100	\$ 109,271		
USAID Ang	\$ 121,160	\$ 96,684		
WL3 Ang	\$ 74,400	\$ 80,081		
WL4 Ang	\$ 50,140	\$ 50,038		
	<u>\$ 658,798</u>	<u>\$ 563,510</u>		
<b>VII OCCUPANCY</b>				
OFDA Burma	\$ 15,987	\$ 13,395		
OFDA2 Chad	\$ 18,315	\$ 19,081		
OFDA2 Lib	\$ 34,580	\$ 17,381		
OFDA3 Chad	\$ 20,049	\$ 15,860		
PMI MCP Lib	\$ 37,800	\$ 27,894		
USAID Ang	\$ 22,968	\$ 20,690		
WL3 Ang	\$ 30,000	\$ 23,889		
WL4 Ang	\$ 6,300	\$ 8,255		
	<u>\$ 185,999</u>	<u>\$ 146,445</u>		

The MENTOR Initiative  
**FUNDS ACCOUNTABILITY STATEMENT**  
Year Ending 30 September 2009

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>QUESTIONED COST UNSUPPORTED COSTS</u>	<u>NOTES</u>
<b>VIII INSURANCE</b>				
OFDA Burma	\$ 2,725	\$ -		
OFDA2 Chad	\$ 3,364	\$ 5,150		
OFDA2 Lib	\$ 1,062	\$ 726		
OFDA3 Chad	\$ 2,788	\$ 620		
PMI MCP Lib	\$ 2,400	\$ 388		
USAID Ang	\$ 2,520	\$ 718	\$ 1,015	Note 1
WL3 Ang	\$ 10,080	\$ 5,644		
WL4 Ang	\$ 6,000	\$ 2,728		
	<u>\$ 30,939</u>	<u>\$ 15,974</u>		
<b>IX COMMUNICATION</b>				
OFDA Burma	\$ 10,900	\$ 1,823		
OFDA2 Chad	\$ 4,984	\$ 6,213		
OFDA2 Lib	\$ 4,731	\$ 5,672		
OFDA3 Chad	\$ 5,632	\$ 9,664		
PMI MCP Lib	\$ 4,800	\$ 7,735		
USAID Ang	\$ 12,960	\$ 11,174		
WL3 Ang	\$ 18,960	\$ 12,766		
WL4 Ang	\$ 12,164	\$ 7,489		
	<u>\$ 75,130</u>	<u>\$ 62,536</u>		
<b>X EQUIPMENT MAINTENANCE</b>				
OFDA Burma	\$ 9,156	\$ 2,124		
OFDA2 Chad	\$ 16,960	\$ 18,024		
OFDA2 Lib	\$ 39,365	\$ 29,511		
OFDA3 Chad	\$ 10,341	\$ 11,029		
PMI MCP Lib	\$ 23,782	\$ 33,628		
USAID Ang	\$ 8,957	\$ 6,307		
WL3 Ang	\$ 33,848	\$ 19,081		
WL4 Ang	\$ 13,800	\$ 11,089		
	<u>\$ 156,208</u>	<u>\$ 130,792</u>		
<b>XI PROFESSIONAL SERVICES</b>				
OFDA Burma	\$ 3,391	\$ 399		
OFDA2 Chad	\$ 2,325	\$ 389		
OFDA2 Lib	\$ 6,241	\$ 1,564		
OFDA3 Chad	\$ 2,346	\$ 305		
PMI MCP Lib	\$ 5,200	\$ 2,458		
USAID Ang	\$ 16,800	\$ 3,141		
WL3 Ang	\$ 4,400	\$ 2,277		
WL4 Ang	\$ 3,584	\$ 1,704		
	<u>\$ 44,288</u>	<u>\$ 12,237</u>		
<b>XII BANK CHARGES &amp; DEBIT INTEREST</b>				
OFDA Burma	\$ -	\$ 3,535		
OFDA2 Chad	\$ -	\$ 443		
OFDA2 Lib	\$ -	\$ 2,745		
OFDA3 Chad	\$ -	\$ 317		
PMI MCP Lib	\$ -	\$ 4,625		
USAID Ang	\$ 3,000	\$ 1,401		
WL3 Ang	\$ 3,000	\$ 1,846		
WL4 Ang	\$ 1,500	\$ 1,010		
	<u>\$ 7,500</u>	<u>\$ 15,922</u>		
<b>XIII DEPRECIATION</b>				
WL4 Ang	\$ -	\$ -1,916		
	<u>\$ -</u>	<u>\$ -1,916</u>		
<b>XIV INDIRECT</b>				
OFDA Burma	\$ 44,341	\$ 20,400		
OFDA2 Chad	\$ 30,409	\$ 42,670		
OFDA2 Lib	\$ 62,541	\$ 31,668		
OFDA3 Chad	\$ 21,580	\$ 14,138		
PMI MCP Lib	\$ 70,316	\$ 60,817		
USAid Ang	\$ 61,018	\$ 26,265		
WL3 Ang	\$ 71,899	\$ 34,226		
WL4 Ang	\$ 52,778	\$ 25,850		
	<u>\$ 414,882</u>	<u>\$ 256,034</u>		
	<u>\$ 3,386,383</u>	<u>\$ 2,596,132</u>	\$ 4,242	Note 1
<b>Total Funds received from Agency</b>	\$	-3,250,989	Cr	
<b>Total Costs Incurred for Agency</b>	\$	2,596,132	Dr	
<b>Brought forward funds from Agency</b>	\$	246,369	Dr	
<b>Outstanding fund balance with Agency</b>	\$	-408,487	Cr	
<b><u>AGENCY: STATE DEPARTMENT</u></b>				
<b><u>REVENUE</u></b>				
BPRM2 Chad	\$ -	\$ -317,381		
BPRM3 Chad	\$ -392,055	\$ -446,802		
BPRM4 Chad	\$ -60,441	\$ -		
	<u>\$ -452,496</u>	<u>\$ -764,183</u>		

The MENTOR Initiative  
FUNDS ACCOUNTABILITY STATEMENT  
Year Ending 30 September 2009

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>QUESTIONED COST UNSUPPORTED COSTS</u>	<u>NOTES</u>
<b><u>COSTS INCURRED</u></b>				
<b>I TANGIBLE ASSETS</b>				
	\$	-	\$	
<b>II PERSONNEL</b>				
BPRM3 Chad	\$ 172,548	\$ 167,197		
BPRM4 Chad	\$ 26,275	\$ 26,904		
	\$ 198,823	\$ 194,101		
<b>III FRINGE BENEFITS</b>				
BPRM3 Chad	\$ 3,485	\$ 14,329		
BPRM4 Chad	\$ 4,355	\$ 347		
	\$ 7,840	\$ 14,676		
<b>IV TRAVEL</b>				
BPRM3 Chad	\$ 9,758	\$ 9,693		
BPRM4 Chad	\$ 1,380	\$ 1,504		
	\$ 11,138	\$ 11,196		
<b>V EQUIPMENT &amp; EQUIPMENT HIRE</b>				
BPRM3 Chad	\$ 612	\$ 3,849	\$ 289	Note 1
BPRM4 Chad	\$ 7,500	\$ 883		
	\$ 8,112	\$ 4,732		
<b>VI SUPPLIES</b>				
BPRM3 Chad	\$ 99,434	\$ 65,950		
BPRM4 Chad	\$ 6,455	\$ 1,591		
	\$ 105,889	\$ 67,540		
<b>VII OCCUPANCY</b>				
BPRM3 Chad	\$ 16,728	\$ 16,122		
BPRM4 Chad	\$ 2,100	\$ 271		
	\$ 18,828	\$ 16,394		
<b>VIII INSURANCE</b>				
BPRM3 Chad	\$ 3,485	\$ 3,234		
BPRM4 Chad	\$ 1,200	\$ -		
	\$ 4,685	\$ 3,234		
<b>IX COMMUNICATION</b>				
BPRM3 Chad	\$ 12,546	\$ 13,119		
BPRM4 Chad	\$ 1,500	\$ 2,597		
	\$ 14,046	\$ 15,716		
<b>X EQUIPMENT MAINTENANCE</b>				
BPRM3 Chad	\$ 25,614	\$ 46,771		
BPRM4 Chad	\$ 1,800	\$ 3,813		
	\$ 27,414	\$ 50,584		
<b>XI PROFESSIONAL SERVICES</b>				
BPRM3 Chad	\$ -	\$ 748		
BPRM4 Chad	\$ 500	\$ 69		
	\$ 500	\$ 817		
<b>XII BANK CHARGES &amp; DEBIT INTEREST</b>				
BPRM3 Chad	\$ -	\$ 770		
BPRM4 Chad	\$ -	\$ 58		
	\$ -	\$ 827		
<b>XIII DEPRECIATION</b>				
	\$ -	\$ -		
<b>XIV INDIRECT</b>				
BPRM3 Chad	\$ 47,846	\$ 31,239		
BPRM4 Chad	\$ 7,376	\$ 3,476		
	\$ 55,222	\$ 34,715		
	\$ 452,496	\$ 414,533	\$ 289	Note 1
<b>Total Funds received from Agency</b>	\$	-764,183	Cr	
<b>Total Costs Incurred for Agency</b>	\$	414,533	Dr	
<b>Brought forward funds from Agency</b>	\$	393,836	Dr	
<b>Outstanding fund balance with Agency</b>	\$	44,186	Dr	
<b>Total Funds received from U.S. Govt.</b>	\$	-4,015,171	Cr	
<b>Total Costs Incurred for U.S. Govt.</b>	\$	3,010,665	Dr	
<b>Brought forward funds from U.S. Govt.</b>	\$	640,205	Dr	
<b>Outstanding fund balance with U.S. Govt.</b>	\$	-364,301	Cr	\$ 4,531

NOTES

The MENTOR Initiative  
FUNDS ACCOUNTABILITY STATEMENT  
Year Ending 30 September 2009

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>QUESTIONED COST UNSUPPORTED COSTS</u>	<u>NOTES</u>
1				The \$4,531 of unsupported costs represent invoices which did not have correct authorisations recorded on the invoice. A recommendation has been made in the report to management that all invoices should be evidenced as authorised by senior staff.

## **THE MENTOR INITIATIVE**

### **5. NOTES TO FUND ACCOUNTABILITY STATEMENT**

**YEAR ENDED 30 SEPTEMBER 2009**

#### **FINDINGS AND QUESTIONED COSTS – FUNDS ACCOUNTABILITY AUDIT**

During the audit, \$4,531 of unsupported costs were found. Invoices were available but there was no evidence of authorisation by a more senior worker on the invoice. This is included in the report to the management.

#### **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 consistency' insofar as they are relevant to the statement.



5 April 2011

The Board of Directors  
The MENTOR Initiative  
Old Grammar School House  
Newmarket Street  
Skipton  
BD23 2JP

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 2009**

We have audited the fund accountability statement of The MENTOR INITIATIVE as of and for the period ended 30 September 2009 and have issued our report on it dated 5 April 2011.

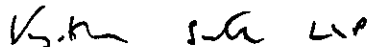
We conducted our audit in accordance with US Government Auditing Standards issued by the Comptroller General of the United States. In planning and performing our audit, we considered the entity's internal control over financial reporting (internal control) as a basis for designing out auditing procedures 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: 5 April 2011

**Kingston Smith LLP** Chartered Accountants

Devonshire House, 60 Goswell Road, London EC1M 7AD Telephone 020 7566 4000 Fax 020 7566 4010 ks@kingstonsmith.co.uk www.kingstonsmith.co.uk

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

**Partners:** Sir Michael Snyder Peter Holgate Peter Timms Martin Muirhead Steven Neal Julie Walsh Nicholas Brooks Martin Burchmore Nigel Birch Maureen Penfold Michael Sinclair Robert Surman Parveen Chadda Amanda Merron Adrian Houstoun Janice Riches Christopher Lane David Goodridge Keith Halstead Cliff Iretton 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 Molra Hindson Esther Corder John Stanforth Heather Powell Silvia Vitiello Marc Fecher Alan Craddock Sandra De Lord Tim Stovold Mark Twum-Ampoto Daniel Martine Matthew Meadows James Cross Gordon Follows Thomas Mbore Paul Spindler Tessa Park Richard Heap Ian Graham Anjali Kothari Simon Clark Jon Dawson

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



A member of  
KS International

March 2011

The Board of Directors  
The MENTOR Initiative  
Old Grammar School House  
Newmarket Street  
Skipton  
BD23 2JP

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 2009**

We have audited the fund accountability statement of The MENTOR Initiative as of and for the period ended 30 September 2009 and have issued our report on it dated 5 April 2011.

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 5 April 2011.

**Kingston Smith LLP** Chartered Accountants

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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*

**KINGSTON SMITH LLP**

**Date:** *5 April 2011*

5 April 2011

The Board of Directors  
The MENTOR Initiative  
Old Grammar School House  
Newmarket Street  
Skipton  
BD23 2JP

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 2009**

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.

*V.S. J.M. L.M.*

**KINGSTON SMITH LLP**

Date: *5 April 2011*

**Kingston Smith LLP** Chartered Accountants  
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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 Alan Craddock Sandra De Lord  
Tim Stovold Mark Twam-Ampoto Daniel Martine Matthew Meadows James Cross Gordon Follows Thomas Moore Paul Spindler Tessa Park Richard Heap Ian Graham Anjali Kothari Simon Clark Jon Dawson

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**THE MENTOR INITIATIVE  
SCHEDULE OF INDIRECT COST RATE  
FOR THE YEAR ENDED 30 SEPTEMBER 2009**

	Expenses	Exclusions	Unallowable and included in Direct cost base	Direct costs	Indirect cost pool
	\$	\$	\$	\$	\$
Representation	4,624		4,624	0	0
Personnel	2,379,867		8,274	2,150,650	220,943
Fringe benefits	187,908		0	186,600	1,308
Travel	244,827		4,602	228,329	11,896
Equipment hire & low-value purchase	417,806		0	411,435	6,371
Supplies	1,874,154	144,697	0	1,727,265	2,192
Occupancy	273,768		0	249,010	24,758
Insurance	29,582		0	29,582	0
Communication	125,744		150	113,602	11,992
Equipment operation & maintenance	340,910		0	335,104	5,806
Professional services	254,410		0	24,150	230,260
Bank charges & debit interest	28,918	1,176		20,073	7,669
Taxes & duties	11,499	11,499		0	0
Depreciation	229,396			229,396	0
Bad debts	30,266	30,266		0	0
Entertainment	118	118		0	0
Governance	24			0	24
Miscellaneous	-6,156	-6,156		0	0
<b>Grand Total</b>	<b>6,427,665</b>	<b>181,600</b>	<b>17,650</b>	<b>5,705,196</b>	<b>523,219</b>
Indirect costs					523,219
Unallowable costs in Direct cost base					17,650
Direct costs					5,705,196
<b>Indirect cost rate (I / (U + D))</b>	<u>Indirect costs</u>		<u>523,219</u>	=	9.14%
	Direct Cost base		5,722,846		