



MEMORANDUM

DATE: October 21, 2020

TO: USAID/Management/Office of Acquisition and Assistance/Cost, Audit and Support Division, Supervisory Auditor, Eleanor C. Jefferson

FROM: Director of External Financial Audits Division (IG/A/EFA), David A. McNeil /s/

SUBJECT: Financial Audit of Stichting International NGO Safety Organization Under Multiple USAID Awards for the Fiscal Year Ended June 30, 2019 (3-000-21-002-R)

This memorandum transmits the final audit report on resources managed by Stichting International NGO Safety Organization (INSO) under multiple USAID awards for the fiscal year ended June 30, 2019. INSO contracted with the independent chartered accounting firm Crowe U.K. LLP to conduct the audit. The audit firm stated that it performed its audit in accordance with generally accepted government auditing standards and the U.S. Agency for International Development's (USAID) Financial Audit Guidelines for Foreign Organizations. However, it did not have a continuing professional education program that fully satisfied generally accepted government auditing standards and did not have an external peer review by unaffiliated organization because such a program is not available in the United Kingdom (UK). The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on INSO's fund accountability statement; the effectiveness of its internal control; or its compliance with the awards, laws, and regulations.¹

The audit objectives were to: (1) express an opinion on whether the fund accountability statement for the period audited, was presented fairly, in all material respects; (2) evaluate INSO's internal controls; and (3) determine whether INSO complied with award terms and applicable laws and regulations. To answer the audit objectives, the audit firm performed audit

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.

procedures to evaluate the effectiveness of the design and operation of the internal controls that it considered relevant to preventing or detecting material noncompliance with the compliance requirements applicable to each of INSO's U.S. Government awards, and examined evidence which supported the financial transactions recorded as expenditures in the fund accountability statement. The audit firm examined incurred costs of \$6,956,508, consisting solely of the USAID funded awards for the year ended June 30, 2019.

The audit firm concluded that the fund accountability statement presents fairly, in all material respects, program revenues and costs incurred and reimbursed, and commodities and technical assistance directly procured by USAID incurred under the award for the period audited in accordance with the terms of the agreement and in conformity with the modified accrual basis of accounting. The auditors did not identify any material weaknesses in internal control, or instances of material noncompliance. The audit firm did not identify any questioned costs. The audit firm issued a management letter.

The 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").