



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: June 2, 2023

TO: USAID/Management/Office of Acquisition and Assistance/Cost, Audit and Support Division, Contract Audits Management Branch, Acting Supervisory Auditor, Maya Cole

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

SUBJECT: Financial Audit of Nonviolent Peaceforce Awards 720FDA18GR00118 and 720FDA19GR00124 for the period January 1, 2019, to September 10, 2019, and September 11, 2019 to December 31, 2019 Respectively (3-000-23-022-R)

This memorandum transmits the final audit report on the Nonviolent Peaceforce (NP) recipient contracted audit for the period January 1, 2019, to September 10, 2019, and September 11, 2019, to December 31, 2019. NP contracted with the independent certified public accounting firm Sam Bisase & Co. (SBC) to conduct the audit. SBC stated that it performed the audit in accordance with generally accepted government auditing standards (GAGAS) and the U.S. Agency for International Development (USAID) Financial Audit Guide for Foreign Organizations. However, it did not have continuing professional education and an external peer review that fully satisfied the requirements of GAGAS. SBC is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on NP's schedule of expenditures of USAID awards, 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 NP's schedule of expenditures of USAID awards present fairly in all material respects, the revenues received, costs incurred, and commodities and technical assistance directly procured by the U.S Government; (2) evaluate NP's internal controls; (3) perform tests to determine whether NP complied, in all material respects, with agreement terms, and applicable laws and regulations related to USAID funded programs; and (4) determine if NP has taken adequate corrective action on prior audit report recommendations. To answer the audit objectives, SBC (1) audited NP's schedule of expenditures; (2) evaluated the control environment, the adequacy of the accounting systems, and control procedures that pertain to NP's ability to report financial data consistent with the assertions embodied in each account of the fund accountability statement; (3) identified the

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.

award terms and pertinent laws and regulations and determined which of those, if not observed, could have a material effect on the fund accountability statement; and (4) reviewed the implementation status of the prior period recommendation. SBC examined total USAID expenditures of \$3,401,920 in the audited periods.

SBC concluded that (1) NP's schedule of expenditures presented fairly, in all material respects, program revenues and costs incurred under the awards for the periods audited; (2) it identified one material weakness in internal control; (3) it identified no material instances of noncompliance; and (4) the recommendation pertaining to USAID awards identified in the prior year's audit report has been resolved.

To address the issue identified in the report, we recommend that USAID's Office of Acquisition and Assistance, Cost, Audit and Support Division:

Recommendation 1. Verify that Nonviolent Peaceforce corrects the one material weakness in internal control detailed on page 20 of the audit report.

We ask that you provide your 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").