



## OFFICE OF INSPECTOR GENERAL U.S. Agency for International Development

### MEMORANDUM

**DATE:** July 19, 2023

**TO:** USAID/Management/Office of Acquisition and Assistance/Cost, Audit and Support Division, Supervisory Auditor, Maya Cole

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

**SUBJECT:** Audit of Veterinaires San Frontieres Suisse Under Multiple USAID Agreements for the Year Ended December 31, 2020 (3-000-23-026-R)

This memorandum transmits the final audit report on the recipient contracted audit of the Veterinaires San Frontieres Suisse (VSF-Suisse) for the fiscal year ended (FY) December 31, 2020. VSF-Suisse contracted with PricewaterhouseCoopers, LLP to conduct the audit. The audit firm states that it performed the audit in accordance with generally accepted government auditing standards, and the U.S. Agency for International Development's (USAID) Financial Audit Guide for Foreign Organizations, except that the audit firm did not fully satisfy continuing professional education requirements set forth in generally accepted government auditing standards and did not have an external peer review program since no such program is offered in Kenya. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on VSF-Suisse's fund accountability statement; the effectiveness of its internal control; or its compliance with the awards, laws, and regulations.<sup>1</sup>

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 and obtain sufficient understanding of VSF-Suisse's internal controls; (3) determine whether VSF-Suisse complied with award terms and applicable laws and regulations; and (4) determine if the recipient had taken adequate corrective action on prior audit report recommendations. To answer the audit objectives, PricewaterhouseCoopers, LLP: (a) performed audit procedures to evaluate the adequacy and effectiveness of internal controls related to the USAID funded programs, assessed control risks, and identified significant deficiencies including material weaknesses; (b) conducted evaluations of compliance with programme agreements terms to

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<sup>1</sup>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.

determine whether VSF-Suisse complied, in all material respect, with applicable laws and regulations related to the USAID funded programs; and (c) obtained details on the status of actions taken on findings and recommendations and implementation of follow-up on prior period recommendations. The report on the fund accountability statement disclosed that VSF-Suisse's audited expenditures for the FY ended December 31, 2020 were \$ 1,890,099 comprised solely of USAID awards.

The audit firm concluded that: (1) the fund accountability statement presents fairly, in all material respects, program revenues, costs incurred and reimbursed, and commodities and technical assistance directly procured by USAID for the year ended December 31, 2020, in accordance with the VSF Suisse's accounting policies described as a modified cash basis. The audit firm did not identify any material instances of non-compliance. The audit firm did identify deficiencies internal control that were considered significant deficiencies. The audit firm noted no questioned costs during the audit. In addition, although we are not making a recommendation for significant deficiencies noted in the report, we suggest that USAID's Management Office of Acquisition and Assistance/Cost, Audit and Support Division determine if VSF-Suisse addressed the issues noted. The audit firm did note certain immaterial instances of non-compliance which it has reported in a separate management letter to VSF-Suisse.

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.<sup>2</sup>

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<sup>2</sup> The James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 Pub. L. No. 117-263, § 5274. Please direct related inquiries to [oignotice\\_ndaa5274@usaid.gov](mailto:oignotice_ndaa5274@usaid.gov).