



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

MEMORANDUM

DATE: August 9, 2023

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

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

SUBJECT: Financial Audit of Centre for International Studies and Cooperation Under Multiple USAID Awards for the Year Ended March 31, 2019 (3-000-23-035-R)

This memorandum transmits the final audit report on the recipient contracted audit of the Centre for International Studies and Cooperation's (CECI) as of and for the year ended March 31, 2019. CECI contracted with the independent certified public accounting firm Gelman Rosenberg & Freedman to conduct the audit. GRF stated that it performed its 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. GRF is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on CECI's fund accountability statement; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.¹

The audit objectives were to: (1) express an opinion on the fund accountability statements; (2) evaluate CECI's internal controls; (3) determine whether CECI complied with award terms and applicable laws and regulations; and (4) determine whether CECI has taken adequate corrective action on prior audit report recommendations. To answer the audit objectives GRF performed audit procedures to evaluate the effectiveness of the design and operation of the internal controls that we considered relevant to preventing or detecting material noncompliance with the compliance requirements applicable to each of CECI's U.S. Government awards. GRF reported total USAID audited expenditures of \$1,508,063 for the year ended March 31, 2019.

GRF concluded that the fund accountability statement presents fairly, in all material respects, program revenues and costs incurred under the awards for the period audited. GRF identified one significant deficiency in internal controls and one instance of material noncompliance.

¹ We reviewed the audit 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 audit firm's supporting working papers; they are not designed to enable us to directly evaluate the quality of the audit performed.

Although we are not making a recommendation for the significant deficiency noted in the report, we suggest that USAID's Office of Acquisition and Assistance Cost, Audit and Support Division/Contract Audit Management Branch determine if CECI addressed the significant deficiency on page IV-I of the audit report. GRF cleared the three prior year's report recommendations.

To address the problem identified in the report, we recommend that USAID's Office of Acquisition and Assistance Cost, Audit and Support Division/Contract Audit Management Branch:

Recommendation I: Verify that Centre for International Studies and Cooperation corrects the instance of material noncompliance detailed on page III-I of the audit report.

We ask that you provide your written notification of actions planned or taken to reach a 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"). 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.²

² 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.