



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

### MEMORANDUM

**DATE:** January 22, 2024

**TO:** USAID/Management/Office of Acquisition and Assistance/Cost, Audit and Support Division, Contract Audits Management Branch, Supervisory Auditor, Sheree Marshall

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

**SUBJECT:** Financial Audit of Oxfam GB Under Multiple USAID Agreements for the Year Ended March 31, 2021 (3-000-24-022-R)

This memorandum transmits the final audit report on the recipient contracted audit of Oxfam GB (OxfamGB) for the fiscal year ended March 31, 2021. OxfamGB contracted with the independent certified public accounting firm GRF CPAs & Advisors 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 Guide for Foreign Organizations. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on OxfamGB's fund accountability statement; the effectiveness of its internal control; or its compliance with the award, 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 OxfamGB's internal controls; (3) determine whether OxfamGB complied with award terms and applicable laws and regulations, and (4) follow up on prior audit recommendations. To answer the audit objectives, the audit firm (a) examined evidence about the amounts and disclosures in the fund accountability statements; (b) reviewed and evaluated OxfamGB's internal controls related to U.S. Government programs to obtain a sufficient understanding of the design of relevant control policies and procedures and whether those policies and procedures were in operation: assessed inherent risk, control risk, and determined the detection risk, and summarized the risk assessment, and evaluated the control environment, the adequacy of the accounting systems, and control procedures; (c) identified the agreement terms and pertinent laws and regulations and determined which of those, if unobserved, could have a direct and material effect on the fund accountability statements, and assessed the inherent and control risk

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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.

that material noncompliance could occur for each of the compliance requirements, and determined the nature, timing and extent of audit steps and procedures to test for errors, fraud, and illegal acts that provide reasonable assurance of detecting both intentional and unintentional instances of noncompliance with agreement terms and applicable laws and regulations that could have a material effect on the fund accountability statements, and determined if payments were made according to agreement terms and applicable laws and regulations; (d) reviewed the status of actions taken on findings and recommendations reported in prior audits of U.S. Government funded programs and evaluated whether OxfamGB's corrective actions were appropriate; (e) determined whether the recipient has used provisional rates to charge indirect costs to USAID and pass-through agencies; and (f) examined the recipient's audited general purpose financial statements to determine whether an opinion is expressed as to whether the statements are presented fairly in all material respects in accordance with the applicable accounting principles. GRF audited \$11,523,730 in expenditures for the year ended March 31, 2021.

The audit firm concluded the fund accountability statement presented fairly, in all material respects, costs incurred and reimbursed by USAID and the pass-through agencies for the year ended March 31, 2021, in accordance with the terms of the agreements and in conformance with the accrual basis of accounting. The audit firm did not identify any material weaknesses or significant deficiencies in internal control. In addition, GRF did not disclose any instances of noncompliance that are required to be reported under U.S. *Government Auditing Standards* and did not question any costs. In GRF's opinion, the information in the accompanying statement of indirect rate calculation is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

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).