



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

MEMORANDUM

DATE: January 23, 2024

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

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

SUBJECT: Financial Audit of Coopi - Cooperazione Internazionale Under Multiple Awards, January 1, 2021 to December 31, 2021 (3-000-24-023-R)

This memorandum transmits the final report on the financial audit of the U.S. Agency for International Development (USAID) awards managed by Coopi - Cooperazione Internazionale (COOPI) for the period January 1, 2021 to December 31, 2021. COOPI contracted with the independent certified public accounting firm BDO Italia S.p.A (BDO) to conduct the audit. BDO stated that it performed its audit in accordance with generally accepted government auditing standards (GAGAS), and USAID Financial Audit Guide for Foreign Organization. However, BDO did not have a continuing professional education program and external quality control reviews that fully satisfy the GAGAS requirements. BDO is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on COOPI's schedule of expenditures of USAID awards; 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 whether the fund accountability statement for the period audited was presented fairly, in all material respects; (2) evaluate COOPI's internal controls; (3) determine whether COOPI complied with the awards' terms and applicable laws and regulations; and (4) perform an audit of the indirect cost rate. To answer the audit objectives, BDO: (1) examined if revenues received from USAID, less the cost incurred, after considering any reconciling items, were reconciled with the balance of cash-on-hand and bank accounts; and (2) reviewed the Statement of Audit Standards as well as the applicable laws and regulations related to USAID programs for the reports on internal controls

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.

and compliance. BDO examined the projects' USAID costs of \$4,251,465 for the audited period.

BDO concluded that the fund accountability statement presented fairly, in all material respects, program revenues and costs incurred and reimbursed, and commodities and technical assistance directly procured by USAID for the period audited in accordance with the terms of the agreements. BDO did not identify any questioned costs, material weaknesses in internal controls, and no instances of material noncompliance. BDO concluded that the statement of indirect rate calculation is fairly stated in all material respects in relation to the basic financial statement taken as a whole. BDO reported that there were no previous audit report recommendations.

During our desk review, we identified two issues BDO will need to address in future audit reports. We presented the issue in a memo to USAID's Chief Financial Officer, dated January 23, 2024.

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.