



MEMORANDUM

DATE: December 11, 2018

TO: USAID/Uganda, Mission Director, Joakim Parker

FROM: USAID OIG Africa Regional Office, Audit Director, Robert Mason /s/

SUBJECT: Financial Audit of USAID Resources Managed by Association of Volunteers in International Service Foundation Uganda Under Multiple Awards, January 1, 2017, to April 11, 2018 (Report No. 4-617-19-027-R)

This memorandum transmits the final audit report on USAID resources managed by Association of Volunteers in International Service (AVSI) Foundation Uganda under the following awards:

| Award Name (Type) | Award Number | Audit Period | Subaward |
|---|--------------------|-----------------------------------|---|
| Sustainable Response for Improving the Lives of Vulnerable Children and Households (Score) (cooperative agreement – closeout) | AID-617-A-11-00001 | Jan. 01, 2017- April 11, 2018 | |
| Family Resilience (FARE) (subaward) | | Jan. 01, 2017- April 11, 2018 | Subaward under FHI360 AID-OAA-LA-13-00001 |
| Better outcomes for Children and Youth in Eastern and Northern Uganda (BETI) (subaward) | | Sept. 01, 2017- April 11, 2018 | Subaward under World Education/Bantwana Inc. AID-617-A-15-00003 |
| Kamwenge (cooperative agreement) | AID-FFP-A-17-00006 | Sept. 29, 2017- April 11, 2018 | |

AVSI Foundation contracted with the independent certified public accounting firm Sam Bisase & Co., Kampala, Uganda to conduct the audit. The contract required the audit firm to perform the audit in accordance with generally accepted government auditing standards (GAGAS).

The audit firm states that it performed its audit in accordance with GAGAS, except that the audit firm did not have continuing professional education and external quality control review programs that fully satisfied the requirements set forth in GAGAS. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not

express an opinion on AVSI Foundation'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 whether the fund accountability statement for the period audited, was presented fairly, in all material respects; (2) evaluate AVSI Foundation's internal controls; (3) determine whether AVSI Foundation complied with award terms and applicable laws and regulations; (4) review the indirect cost rate; and (5) review the implementation status of the prior period recommendations.

To answer the audit objectives, Sam Bisase & Co. (1) audited the fund accountability statement for the award including the budgeted amounts by category and major items and the revenues received from USAID for the period covered by the audit and the costs reported by AVSI Foundation as incurred from January 1, 2017, to April 11, 2018; (2) evaluated the control environment, the adequacy of the accounting systems, and control procedures that pertain to AVSI Foundation's ability to report financial data consistent with the assertions embodied in each account of the fund accountability statement; (3) identified the award terms and pertinent laws and regulations and determined which of those, if not observed, could have a direct and material effect on the fund accountability statement; (4) reviewed the indirect cost rate; and (5) reviewed the implementation status of the prior period recommendations. AVSI Foundation reported expenditures of \$5,454,942 in USAID funds during the audited period.

The audit firm concluded the fund accountability statement presented fairly, in all material respects, program revenues and costs incurred under the award for the period audited. The firm did not identify any significant deficiencies or material weaknesses in internal control, or any material instances of noncompliance. Accordingly, we do not make any recommendations.

During our desk review, we noted several minor issues which the audit firm will need to address in future audit reports. We presented these issues in a memo to the controller, dated December 11, 2018.

We appreciate the assistance extended during the engagement.

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").

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.