



MEMORANDUM

DATE: August 7, 2019

TO: USAID/M/OAA/CAS/CAM, Branch Chief, David McNeil

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

SUBJECT: Financial Audit of USAID Resources Managed by Cooperazione Internazionale in Multiple Countries Under Multiple Awards, January 1 to December 31, 2017 (Report No. 4-000-19-120-R)

This memorandum transmits the final audit report on USAID resources managed by Cooperazione Internazionale (COOPI) under the following awards:

Award Name (Type)	Award Number	Audit Period
Enhancing physical and social capital at neighborhood level for disaster preparedness, emergency reaction capacities and preventative territorial management in Port-au-Prince, Haiti (grant)	AID-OFDA-G-17-00226	Aug. 28, 2017-Dec. 31, 2017
Reinforcing innovative mechanisms for arising capacities in disaster risk reduction in Rimac, Peru (cooperative agreement) – closeout	AID-OFDA-A-14-00023	Jan. 1, 2017-Sep 14, 2017
Improving food Security and Nutrition through the Introduction, Adaptation and Promotion of Nutritious and Stress tolerant Crops in regions of Ethiopia (cooperative agreement)	AID-663-A-16-00001	Jan 1, 2017–Dec. 31, 2017
Promoting Mental Health and Psychosocial Well-Being in the Lake Chad Region, Chad (grant)	AID-OFDA-G-17-00108	July 3, 2017-Dec, 31, 2017
Emergency Protection and MHPSS Response to conflict-affected populations in Niger (grant)	AID-OFDA-G-17-00203	Sept. 30, 2017-Dec. 31, 2017
North East Nigeria Joint Livelihood Market Recovery Assessment (grant)-closeout	AID-OFDA-G-17-00035	Feb. 1, 2017-June 30, 2017

Supporting Internally Displaced Persons (IDP) and Vulnerable Host Communities to improve food and nutrition security in Nigeria (grant)	AID-FFP-G-17-00039	June 1, 2017-Dec. 31, 2017
Ensure access to child protection services and nutrition/hygiene education for IDP's and host communities in Nigeria (grant)	AID-OFDA-G-17-00209	Aug. 9, 2017-Dec. 31, 2017

COOPI contracted with the independent certified public accounting firm BDO Italia S.p.A, Milan, Italy 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 COOPI'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 COOPI's internal controls; (3) determine whether COOPI complied with award terms and applicable laws and regulations; and (4) review the indirect cost rate.

To answer the audit objectives, BDO Italia S.p.A (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 COOPI as incurred from January 1 to December 31, 2017; (2) evaluated the control environment, the adequacy of the accounting systems, and control procedures that pertain to COOPI'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. COOPI reported expenditures of \$1,582,094 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 audit firm did not report any material weaknesses in internal control and did not identify any instances of material noncompliance.

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.

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 August 7, 2019.

Accordingly we are not making any recommendations.

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”).