



MEMORANDUM

DATE: November 22, 2019

TO: USAID/Management/Office of Acquisition and Assistance/Cost, Audit, and Support Division, Branch Chief, David A. McNeil

FROM: Acting Director of External Financial Audits Division, Steve Shea/s/

SUBJECT: Audit of Polska Akcja Humanitarna Under Multiple USAID Agreements for the Fiscal Year Ended December 31, 2017 (3-000-20-002-R)

This memorandum transmits the final audit report on the recipient contracted audit of Polska Akcja Humanitarna (PAH) under multiple agreements for the U.S. Agency for International Development (USAID) for the fiscal year (FY) ended December 31, 2017. PAH contracted with SCivPRL, “De Wolf, Gilson & Company – réviseurs d’entreprises” (SCivPRL) of Brussels, Belgium to conduct the audit. The audit firm stated that it performed the audit in accordance with generally accepted government auditing standards and 2 Code of Federal Regulations Part 200, Subpart F and Appendix XI. However, the audit firm did not fully satisfy the continuing professional education requirements set forth in generally accepted government auditing standards and did not have an external quality control review by an unaffiliated audit organization since no such program is offered by professional organizations in Belgium. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on PAH’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 PAH’s internal controls; and (3) determine whether PAH complied with the awards’ terms and applicable laws and regulations. To answer the audit objectives, the SCivPRL examined the fund accountability statement, internal control structure and compliance with agreement terms and applicable laws and regulations. The report on the fund

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.

accountability statement disclosed that PAH's audited expenditures were \$1,773,510, consisting solely of USAID-funded awards for the fiscal year ended December 31, 2017.

SCivPRL concluded that: (1) the fund accountability statement referred to above presents fairly, in all material respects, program revenues, costs incurred and reimbursed for the period then ended in accordance with the terms of the agreements and in conformity with the cash basis of accounting; (2) SCivPRL did not identify any deficiencies that were considered material weaknesses in internal control; and (3) SCivPRL disclosed no instances of noncompliance that are required to be reported under generally accepted government auditing standards.

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").