



MEMORANDUM

DATE: April 23, 2020

TO: USAID/M/OAA/CAS/CAM, Acting Branch Chief, Eleanor C. Jefferson

FROM: USAID OIG Africa Regional Office, Assistant Director, Matthew Rathgeber /s/

SUBJECT: Financial Audit of USAID Resources Managed by Cooperazione Internazionale in Multiple Countries Under Multiple Awards, January 1 to December 31, 2018 (Report No. 4-000-20-062-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) – closeout	AID-OFDA-G-17-00226	Jan. 1 - Nov. 27, 2018
Enhancing Physical and Social Capital at Neighborhood Level for Disaster Preparedness, Emergency Reaction Capacities and Preventative Territorial Management in Port-au-Prince, Haiti (grant)	720FDA19GR00002	Nov. 14 - Dec. 31, 2018
Reinforcing Innovative Mechanisms for Arising Capacities in Disaster Risk Reduction in RIMAC II in Peru (grant)	720FDA18GR00266	Sep. 21 - Dec. 31, 2018
Improving Food Security and Nutrition Through Introduction, Adaptation and Promotion of Nutritious and Stress Tolerant Crops in Ethiopia (cooperative agreement) – closeout	AID-663-A-16-00001	Jan. 1 - Nov. 30, 2018
Promoting Mental Health and Psychosocial Well-Being of the IDP Population in the Lake Chad Region in Chad (grant) – closeout	AID-OFDA-G-17-00108	Jan. 1 - June 28, 2018
Ensure Access to Child Protection Services and Nutrition/Hygiene Education for IDP's and Host Communities in Marginalized Areas in Nigeria (grant)	720FDA18GR00101	July 3 - Dec. 31, 2018
Supporting Internationally Displaced Persons and Vulnerable Host Communities to Improve Food and Nutrition Security in Nigeria (grant) - closeout	AID-FFP-G-17-00039	Jan. 1 - Apr. 30, 2018

Ensure Access to Child Protection Services and Nutrition/Hygiene Education for IDP's and Host Communities in Marginalized Areas in Nigeria (grant) – closeout	AID-OFDA-G-17-00209	Jan. 1 - Oct. 31, 2018
Lifesaving Food Security Assistance to Conflict Affected Population in North East Nigeria – closeout	APS-FFP-18-000223	May 1 - Aug. 31, 2018
Emergency Protection and MHPSS Response to Conflict Affected Populations in Niger (grant) - closeout	AID-OFDA-G-17-00203	Jan. 1 - Sep. 29, 2018
Emergency Protection and MHPSS Response to Conflict Affected Populations in Niger (grant)	720FDA18GR00106	Oct. 1 - Dec. 31, 2018
Emergency MHPSS and Adolescent Protection Prevention for Conflict Affected Populations in Cameroon (grant)	720FDA18GR00157	Sep. 7 - Dec. 31, 2018
Inclusive Disaster Risk Management in Natural Disaster Prone Areas: An Innovative Approach to Including Most of Risks Groups in Paraguay (cooperative agreement)	AID-OFDA-A-17-00040	July 13 - Dec. 31, 2018

COOPI contracted with the independent certified public accounting firm BDO Italia S.p.A, Milan, Italy, to conduct the audit. The audit firm stated that it performed its audit in accordance with generally accepted government auditing standards (GAGAS). However, it did not have continuing professional education and an external peer review that fully satisfied the requirements of 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; (4) review the indirect cost rate; and (5) review the implementation status of the prior period recommendations.

To answer the audit objectives, BDO (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, 2018; (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; and (5) reviewed the

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.

implementation status of the prior period recommendations. COOPI reported expenditures of \$4,089,159 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 identify any questioned costs, no material weaknesses in internal control, and no instances of material noncompliance.

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 controller, dated April 23, 2020.

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").