



MEMORANDUM

DATE: June 4, 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 Vétérinaires Sans Frontières Germany in Multiple Countries Under Multiple Awards, August 1, 2018, to December 31, 2019 (Report No. 4-000-20-078-R)

This memorandum transmits the final audit report on USAID resources managed by Vétérinaires Sans Frontières Germany (VSF Germany) under the following awards:

Award Name (Type)	Award Number	Audited Period
Livestock Emergency Response Program IV (LERP IV) in South Sudan (grant) closeout	720FDA18GR00271	Aug. 1, 2018 – July 31, 2019
Livestock Emergency Response Program V (LERP V) in South Sudan (grant)	720FDA19GR00147	Aug. 1, 2019 – Dec. 31, 2019
Emergency Food Security and WASH Intervention to Displaced People and Destitute Host Communities in Blue Nile State in Sudan (grant) closeout	720FDA18GR00246	Aug. 1, 2018 – Oct. 31, 2019
WASH and Nutrition Sensitive FSL Emergency Response for Conflict-Affected Vulnerable Communities in Central Darfur State (WASH/FSL) in Sudan Region (grant) closeout	720FDA18GR00247	Aug. 1, 2018 – Oct. 31, 2019
Emergency and Early Recovery Livelihood Support for IDPS and Vulnerable Host Communities in Blue Nile State in Sudan (grant)	720FDA19GR00263	Nov. 1, 2019 – Dec. 31, 2019
Integrated FSL and WASH Intervention to Support Affected Population in Central Darfur State in Sudan Region (grant)	720FDA19GR00159	Nov. 1, 2019 – Dec. 31, 2019

VSF Germany contracted with the independent certified public accounting firm PricewaterhouseCoopers (PwC), Nairobi, Kenya, 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 VSF Germany'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 VSF Germany's internal controls; (3) determine whether VSF Germany complied with award terms and applicable laws and regulations; and (4) review the implementation status of the prior period recommendations.

To answer the audit objectives, PwC (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 VSF Germany as incurred from Augustus 1, 2018, to December 31, 2019; (2) evaluated the control environment, the adequacy of the accounting systems, and control procedures that pertain to VSF Germany'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; and (4) reviewed the implementation status of the prior period recommendations. VSF Germany reported expenditures of \$3,341,168 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 identified no questioned costs; no material weaknesses in internal control; and no instances of material noncompliance. In addition, although we are not making a recommendation for significant deficiencies noted in the report, we suggest that USAID/M/OAA/CAS/CAM determine if the recipient addressed the issues noted. The audit firm issued a management letter.

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").

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.