



MEMORANDUM

DATE: June 18, 2020

TO: USAID/M/OAA/CAS/CAM, Division Chief, Ms. E. Lynn Brown

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

SUBJECT: Financial Audit of USAID Resources Managed by Norwegian Refugee Council in Multiple Countries Under Multiple Awards, January 1 to December 31, 2017 (Report No. 4-000-20-083-R)

This memorandum transmits the final audit report on USAID resources managed by Norwegian Refugee Council (NRC) in multiple countries under multiple awards listed in the attached appendix I (only USAID awards included in appendix). NRC contracted with the independent certified public accounting firm Gelman, Rosenberg & Freedman, Maryland, USA, to conduct the audit. The audit firm stated that it performed its audit in accordance with generally accepted government auditing standards (GAGAS). The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on NRC'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 NRC's internal controls; (3) determine whether NRC complied with award terms and applicable laws and regulations.

To answer the audit objectives, Gelman, Rosenberg & Freedman (1) audited the fund accountability statement for the awards 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 NRC 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 NRC'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

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.

effect on the fund accountability statement. NRC reported total expenditures of \$32,071,643 in the fund accountability statement of which expenditures of \$21,499,857 related to 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 reported no questioned costs; no material weaknesses in internal control; and no instances of material noncompliance. The audit firm also issued a management letter with other areas of concern, included in the report.

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 June 18, 2020.

To address the issues identified in the report, we recommend that USAID/M/OAA/CAS/CAM:

Recommendation 1. Verify that Norwegian Refugee Council take corrective action on the nine instances of noncompliance detailed on pages IV-2 to IV-9 of the audit report.

We ask that you provide your written notification of actions planned or taken to reach management decision. 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").

Appendix I – Award List

No.	Award Description	Award Number	Audit Period
1.	Camp Design and Support to IDPs Program Northwest Syria - (closeout).	AID-OFDA-A-16-00041	Jan. 1 – Sept. 30, 2017
2.	General Support of NORCAP Roster Program.	AID-OFDA-A-16-00052	Jan. 1 – Dec. 31, 2017
3.	Supporting NGO Co-Coordination in the Protection and WASH Clusters Program in South Sudan – (closeout).	AID-OFDA-G-16-00139	Jan. 1 – Aug. 31, 2017
4.	Emergency, WASH, NFI Support and Integrated Shelter, Settlement, WASH, and HLP Support to Conflict Affected Households Program in Iraq – (closeout).	AID-OFDA-G-16-00184	Jan. 1 – Nov. 30, 2017
5.	Emergency Response to Displacement Program in the Central African Republic (CAR).	AID-OFDA-G-16-00196	Jan. 1 - Dec. 31, 2017
6.	Multi-Sector Emergency Response to the Basic Needs of the Vulnerable Conflict Affected Population Program in Northeast Nigeria.	AID-OFDA-G-16-00232	Jan. 1 – Dec. 31, 2017
7.	Providing Life-Saving Shelter and WASH Assistance and Protection to Camp-Based Populations Program in Northwest Syria.	AID-OFDA-G-17-00045	Oct. 1 – Dec. 31, 2017
8.	Providing Life-Saving Shelter and WASH Assistance and Protection to Camp-Based Populations Program in Northwest Syria.	AID-OFDA-G-17-00049	Oct. 1 – Dec. 31, 2017
9.	Providing Global Data and Analysis to Improve Policies and Operational Responses to the Protection Needs of IDPs Worldwide.	AID-OFDA-G-17-00087	Oct. 14 – Dec. 31, 2017
10.	Cash Consortium for Iraq (CCI) Emergency Response for Conflict Affected Households Program. Subaward through Mercy Corps.	AID-OFDA-G-17-00126	Aug. 21 – Dec. 31, 2017
11.	Supporting NGO Co-Coordination in the Protection and WASH Clusters Program in South Sudan.	AID-OFDA-G-17-00165	Sept. 1 – Dec. 31, 2017
12.	Strengthening Field Level Capacity on Humanitarian Access to Negotiations.	AID-OFDA-G-17-00197	July 5 – Dec. 31, 2017
13.	Analyzing the Economic Impacts of Internal Displacement.	AID-OFDA-G-17-00285	Sept. 22 – Dec. 31, 2017
14.	Humanitarian Assistance, Protection and Recovery to Conflict Affected IDP's, Returnees and Host Communities Program in Iraq.	AID-OFDA-G-17-00289	Oct. 1 – Dec. 31, 2017
15.	Contribute to Improving National and International Responses to the Protection Needs of Internally Displaced Person (IDPs) Program Through Monitoring, Advocacy and Training Activities – (closeout).	AID-OFDA-G-13-00046	Jan. 1 – Oct. 14, 2017
16.	Strengthening Principled Humanitarian Action and Awareness – (closeout).	AID-OFDA-G-13-00070	Jan. 1 – Mar. 31, 2017