



MEMORANDUM

DATE: June 26, 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, 2018 (Report No. 4-000-20-084-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 (GRF), 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, GRF (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, 2018; (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 effect 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. NRC reported total expenditures of \$37,121,268 in the fund accountability statement of which expenditures of \$24,960,857 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 awards 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 findings, 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 26, 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 10 instances of noncompliance detailed on pages IV-2 to IV-10 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.	Beyond the Numbers – Monitoring Progress to Reduce Internal Displacement Program – Worldwide (grant).	720FDA18GR00318	Sept. 20 – Dec. 31, 2018
2.	Supporting NGO Co-Coordination in the Protection and WASH Clusters Program in South Sudan (grant).	720FDA18GR00310	Sept. 1 – Dec. 31, 2018
3.	Strengthening Field Level Capacity on Humanitarian Access and Negotiations Program – Worldwide (grant).	720FDA18GR00306	Oct. 5 – Dec. 31, 2018
4.	Mercy Corps issued a Pass-Through Award Cash Consortium for Iraq (CCI) Harmonized Multi-Purpose Cash Assistance for Vulnerable Conflict-Affected Households Program (subaward).	Pass-Through Award NRC OFDA-FFP CCI 33276S002 (Prime Award 720FDA18GR00301)	Aug. 1 – Dec. 31, 2018
5.	Humanitarian Assistance, Protection and Recovery to Conflict-Affected Populations Program in Iraq (grant).	720FDA18GR00296	Sept. 10 - Dec. 31, 2018
6.	Protection, Shelter, and WASH Program in Democratic Republic of Congo (DRC), (grant).	720FDA18GR00210	Jul. 25 – Dec. 31, 2018
7.	Emergency Response to Displacement Program in the Central African Republic (CAR), (grant).	720FDA18GR00161	Sept. 30 – Dec. 31, 2018
8.	Multi-Sector Emergency Response to the Basic Needs of the Vulnerable Affected Population Program in Northeast Nigeria (grant).	720FDA18GR00064	Jun. 8 – Dec. 31, 2018
9.	Assistance to Displaced and Vulnerable Communities and Individuals in Rakhine (Myanmar), Through Multipurpose Cash-Based Protective Programming (grant).	720FDA18GR00060	Jun. 28 – Dec. 31, 2018
10.	International Rescue Committee issued a pass-through award for program titled Amal Consortium, purpose to understand changed situational context and key humanitarian needs in Syria, confirm or identify partners who have access to South Syria and confirm continued feasibility of procuring key WASH and shelter supplies inside Syria (subaward).	Pass-Through Award # 02 (Prime Award # 720FDA18CA00044)	Oct. 1 – Dec. 31, 2018
11.	Humanitarian Assistance and Sustainable Livelihood Approach to People Affected by the Venezuelan Crisis Program (cooperative agreement).	720FDA18CA00040	Sept. 28 – Dec. 31, 2018
12.	Providing Life-Saving Shelter and WASH Assistance and Protection to Camp-Based Populations in Northwest Syria (cooperative agreement) - closeout.	AID-OFDA-A-17-00045	Jan. 1 – Jul. 31, 2018
13.	Providing Life-Saving Shelter and WASH Assistance and Protection to Camp-Based Populations in Northwest Syria (cooperative agreement) - closeout.	AID-OFDA-A-17-00049	Jan. 1 – Dec. 31, 2018
14.	Providing Global Data and Analysis to Improve Policies and Operational Responses to the	AID-OFDA-G-17-00087	Jan. 1 – Dec. 31, 2018

	Protection Needs of IDPs Worldwide (grant).		
15.	Mercy Corps issued a sub-award, Cash Consortium for Iraq (CCI) Emergency Response for Conflict Affected Households – closeout.	Pass-Through Award NRC OFDA-FFP CCI 33098S004 (Prime Award AID-OFDA-G-17-00126)	Jan. 1 – Aug. 20, 2018
16.	Supporting NGO Co-Coordination in the Protection and WASH Clusters Program in South Sudan (grant) - closeout.	AID-OFDA-G-17-00165	Jan. 1 – Aug. 31, 2018
17.	Strengthening Field Level Capacity on Humanitarian Access to Negotiations Worldwide (grant) - closeout.	AID-OFDA-G-17-00197	Jan. 1 – Oct. 1, 2018
18.	Analyzing the Economic Impacts of Internal Displacement in Geneva (grant) - closeout.	AID-OFDA-G-17-00285	Jan. 1 – Dec. 30, 2018
19.	Humanitarian Assistance, Protection and Recovery to Conflict Affected IDP's, Returnees and Host Communities Program in Iraq (grant) - closeout.	AID-OFDA-G-17-00289	Jan. 1 – Sept. 30, 2018
20.	General Support of NORCAP Roster Program, Worldwide (cooperative agreement).	AID-OFDA-A-16-00052	Jan. 1 – Dec. 31, 2018
21.	Emergency Response to Displacement in the Central African Republic (CAR), (grant) - closeout.	AID-OFDA-G-16-00196	Jan. 1 – Dec. 29, 2018
22.	Multi-Sector Emergency Response to the Basic Needs of the Vulnerable Conflict Affected Population in Northeast Nigeria (grant) - closeout.	AID-OFDA-G-16-00232	Jan. 1 – Mar. 31, 2018