



MEMORANDUM

DATE: July 1, 2020

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

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

SUBJECT: Financial Audit of USAID Resources Managed by Acción Contra el Hambre in Multiple Countries Under Multiple Awards, January 1 to December 31, 2017 (Report No. 4-000-20-085-R)

This memorandum transmits the final audit report on USAID resources managed by Acción Contra el Hambre (ACH), awards listed in the attached appendix I (only USAID awards included in appendix). ACH contracted with the independent certified public accounting firm Gelman, Rosenberg & Freedman, Bethesda, Maryland, 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 ACH'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 ACH's internal controls; (3) determine whether ACH 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 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 ACH 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 ACH'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. ACH reported total expenditures of \$7,845,634 in

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.

the fund accountability statement, of which expenditures of \$6,719,096 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 identified \$6,452 in total ineligible questioned costs; no material weaknesses in internal control; and one instance of material noncompliance. Since the questioned costs did not meet the OIG's established threshold of \$25,000 for making a recommendation, we are not making a recommendation. Nevertheless, we suggest that USAID/M/OAA/CAS/CAM determine the allowability of the \$6,452 in questioned costs and recover any amount determined to be unallowable. In addition, although we are not making a recommendation for significant deficiency noted in the report, we suggest that USAID/M/OAA/CAS/CAM determine if the recipient addressed the issues noted. The audit firm also identified 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 July 1, 2020.

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

Recommendation 1. Verify that Acción Contra el Hambre corrects the four instances of noncompliance detailed on pages III-1 to III-2 and IV-2 to IV-4 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 – USAID Award List

No	Award Description	Award Number	Audit Period
1.	Strengthening Food, Water and Nutrition Security and Livelihoods of Very Vulnerable Fish and Rice-Fish Farmers Households Affected by Recent Climatic and Political Crises Program in Ansongo Circle (Gao Region, Mali) – closeout.	AID-OFDA-G-16-00257	Jan. 1 – Dec. 31, 2017
2.	Emergency Recovery and Resilience Building Program for Vulnerable Populations in Guidimakha Region (Phase II) in Mauritania.	AID-FFP-G-16-00097	Jan. 1 – Dec. 31, 2017
3.	Food Security and Recovery of Livelihoods for the Most Vulnerable Displaced and Host Populations Program in Diffa Region, Niger – closeout.	AID-OFDA-G-16-00204	Jan. 1 – Aug. 24, 2017
4.	Food Security and WASH Emergency Response to Syria Crisis in Syria – closeout.	AID-OFDA-A-16-00006	Jan. 1 – May 31, 2017
5.	Promoting Resilience Through Information, Nutrition Coordination, and Evidence (PRINCE) Program in Western Africa.	AID-OFDA-G-16-00207	Jan. 1 - Dec. 31, 2017
6.	Sub-Award Under, Action Against Hunger – USA Improvement of the Nutritional Status of the Population in the Region of Guidimakha Mauritania – closeout.	AID-OFDA-G-15-00213	Jan. 1 – Aug. 1, 2017
7.	Emergency Basic Service Intervention for IDPs Affected by Marawi Conflict Program in the Philippines.	AID-OFDA-G-17-00302	Oct. 1 – Dec. 31, 2017
8.	Food Security and Recovery of Livelihoods for the Most Vulnerable Displaced and Host Populations Program in Diffa Region, Niger.	AID-OFDA-G-17-00183	Aug. 1 – Dec. 31, 2017
9.	Supporting Farmers to Face and Overcome Food and Nutritional Crises in the Conflict and Climate Affected Timbuktu Region in North Mali.	AID-OFDA-G-17-00230	Oct. 1 – Dec. 31, 2017
10.	Increase the Resilience and Adaptability of Wayuu Men and Women in the Municipality of Maicao, Department of Guajira, in Face of Climatic Variability (Drought) of the Territory, Improving Traditional Agricultural, Livestock and Community Practices to Contribute of Their Food Security in Colombia.	AID-OFDA-G-17-00234	Sept. 28 – Dec. 31, 2017
11.	Agriculture, Food Security and WASH Emergency Assistance to Vulnerable Conflict Affected Populations in Syria.	AID-OFDA-A-17-00015	Sept. 28 – Dec. 31, 2017
12.	Program to Increase Coverage of Management of Severe Acute Malnutrition Through the Support of Community Health Workers in Mauritania and Niger.	AID-OFDA-G-17-00277	Oct. 1 – Dec. 31, 2017
13.	Sub-Award Under Handicap International Federation, Project Alliance for Community Resilience in Guatemala - closeout.	AID-FFP-G-16-00109	Jan. 1 – Dec. 31, 2017
14.	Sub-Award Under Plan International USA, Support for Self-Help Shelter and WASH Solutions in Plura in Peru - closeout.	AID-OFDA-G-17-00017	Jun. 5 – Dec. 31, 2017