



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, 2018 (Report No. 4-000-20-086-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 (GRF), 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, GRF (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, 2018; (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

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. ACH reported total expenditures of \$11,408,362 in the fund accountability statement, of which expenditures of \$10,822,100 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 \$18,394 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 \$18,394 in questioned costs and recover any amount determined to be unallowable. In addition, although we are not making a recommendation for the significant deficiency and other areas of concern noted in the report as part of a management letter, we suggest that USAID/M/OAA/CAS/CAM determine if the recipient addressed the issues noted.

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 one instance of material noncompliance detailed on pages III-1 to III-2 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.	Humanitarian Assistance and Response to the Population Affected by the Conflict in Syria in Areas Accessible From the Consortium of INGOs Based in Damascus in Syria (grant).	720FDA18GR00046	Oct. 1- Dec. 31, 2018
2.	Emergency Basic Service Intervention for IDPs Affected by Marawi Conflict – Philippines – Phase 2 in the Philippines (grant).	720FDA18GR00112	Apr. 1- Dec. 31, 2018
3.	Improving Food Security and the Recovery of Agro-Pastoral Livelihoods for Vulnerable Displaced and Host Populations in Diffa Region in Niger (grant)	720FDA18GR00265	Aug. 25 – Dec. 31, 2018
4.	Emergency Recovery and Resilience Building Program for Vulnerable Populations in the Guidimakha Region in Mauritania (grant).	72DFFP18GR00020	Jul. 1 - Dec. 31, 2018
5.	Enhancing the Accountability for Gender Based Violence with Humanitarian Nutrition Organizations in Mauritania (grant).	720FDA18GR00217	Jul. 19 – Dec. 31, 2018
6.	Sub-Award Through Humanity and Inclusion for the Project Alliance for Community Resilience in Mali (subaward).	72DFFP18GR00017	Feb. 6 – Dec. 31, 2018
7.	Improving the Early Recovery Capacities and Livelihoods Protection of Vulnerable Agro-Pastoral Communities in Gao Region in Mali (grant).	720FDA18GR00159	Oct. 1 – Dec. 31 2018
8.	Emergency Recovery and Resilience Building Program for Vulnerable Populations in Guidimakha Region (Phase II) in Mauritania (grant) - closeout.	AID-FFP-G-16-00097	Jan. 1 – Jan. 31, 2018
9.	Integrated Response to the Nutritional Crisis in 2018 in the Pastoral Districts of Ranérou, Kanel, and Peté, North Senegal in Senegal (grant).	720FDA18GR00079	May 25 – Dec. 31, 2018
10.	TISA: A Cluster Randomized Controlled Trial for the Effect of Adding Household Water Treatment and Hygiene Promotion to Standard Outpatient Therapeutic Treatment of Severe Acute Malnutrition in Matam Region in Senegal (grant)	720FDA18GR00249	Oct. 1 – Dec. 31, 2018
11.	TISA: A Cluster Randomized Controlled Trial for the Effect of Adding Household Water Treatment and Hygiene Promotion to Standard Outpatient Therapeutic Treatment of Severe Acute Malnutrition in Matam Region in Senegal (grant).	72DFFP18GR00023	May 11 – Dec. 31, 2018
12.	Promoting Resilience Through Information, Nutrition Coordination, and Evidence (PRINCE) Program in Western Africa (grant) - closeout.	AID-OFDA-G-16-00207	Jan. 1 – Mar. 31, 2018
13.	Emergency Basic Service Intervention for IDPs Affected by Marawi Conflict Program in the Philippines (grant) - closeout.	AID-OFDA-G-17-00302	Jan. 1 – Mar. 31, 2018
14.	Food Security and Recovery of Livelihoods for the Most Vulnerable Displaced and Host Populations Program in Diffa Region, Niger (grant) – closeout.	AID-OFDA-G-17-00183	Jan. 1 – Aug. 16, 2018

15.	Supporting Farmers to Face and Overcome Food and Nutritional Crises in the Conflict and Climate Affected Timbuktu Region in North Mali (grant) - closeout.	AID-OFDA-G-17-00230	Jan. 1 – Nov. 30, 2018
16.	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 (grant).	AID-OFDA-G-17-00234	Jan. 1 – Dec. 31, 2018
17.	Increase the Adaptability of Population Affected by Venezuelan Crisis (Wayuus, Host Population, Returned and Venezuelans) in Maicao and Riohacha Municipalities, Department of Guajira Improving Agricultural Practices and Strengthening Livelihoods in Colombia (cooperative agreement).	720FDAI8CA00010	Apr. 16 – Dec. 31, 2018
18.	Agriculture, Food Security and WASH Emergency Assistance to Vulnerable Conflict Affected Populations in Syria (cooperative agreement) - closeout.	AID-OFDA-A-17-00015	Jan. 1 – Aug. 31, 2018
19.	Program to Increase Coverage of Management of Severe Acute Malnutrition Through the Support of Community Health Workers in Mauritania and Niger (grant).	AID-OFDA-G-17-00277	Jan. 1 – Dec. 31, 2018