



MEMORANDUM

DATE: August 20, 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 The Alliance for International Medical Action in Multiple Countries Under Multiple Awards, January 1 to December 31, 2018 (Report No. 4-000-20-104-R)

This memorandum transmits the final audit report on USAID resources managed by The Alliance for International Medical Action (ALIMA) under multiple awards listed in the attached Appendix I. ALIMA 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 ALIMA'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 ALIMA's internal controls; (3) determine whether ALIMA 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 ALIMA 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 ALIMA'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. ALIMA reported expenditures of \$8,252,197 in USAID funds during

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 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 \$2,426 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 \$2,426 in questioned costs and recover any amount determined to be unallowable. In addition, although we are not making a recommendation for significant deficiencies and other areas of concern noted in the report, 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 the controller, dated August 20, 2020.

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

Recommendation I. Verify that The Alliance for International Medical Action corrects the one instance of material noncompliance detailed on pages III-1 and 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 – Award List

No.	Award Description	Award Number	Audit Period
1.	Emergency Health and Nutritional Care in Northern Nigeria 2018 (grant)	720FDA18GR00042	May 1 – Dec. 31, 2018
2.	Comprehensive Preventive and Curative Health Nutrition and Wash Package to Mothers and Children Affected by the Lake Chad Crisis in Ngouri, Chad (grant)	720FDA18GR00086	Aug. 1 – Dec. 31, 2018
3.	Multi-Sectoral Emergency Intervention Benefiting IDPs and Host Communities Affected by the Lake Chad Basin Crisis Far North Region Republic of Cameroon (grant)	720FDA18GR00127	Jun. 1 – Dec. 31, 2018
4.	Medical and Nutritional Assistance for Displaced Populations in the Niono District, Segou Region – Mali (grant)	720FDA18GR00203	Aug. 1 – Dec. 31, 2018
5.	Nutritional, Pediatric and WASH Intervention to Benefit IDPs and Host Communities in Raja County, Western Bahr El Ghazal, South Sudan (grant)	720FDA18GR00252	Aug. 1 – Dec. 31, 2018
6.	Pass-Through Award to Support a Program for International Food Relief Partnership (IFRP), Shelf-Stable Food Commodity Transportation, Delivery, and Distribution – Chad (grant)	72DFFP18FA00014	Aug. 1 – Dec. 31, 2018
7.	Pass-Through Award to Support a Program for International Food Relief Partnership (IFRP), Shelf-Stable Food Commodity Transportation, Delivery, and Distribution – Niger (grant)	AID-FFP-F-17-00030	Jan. 1 – Dec. 31, 2018
8.	Emergency Health and Nutritional Care in Northern Nigeria (grant) - closeout	AID-OFDA-G-17-00074	Jan. 1 – Apr. 30, 2018
9.	Multi-Sectoral Emergency Intervention Befitting IDP's and Host Communities Affected by the Lake Chad Basin Crisis in Cameroon (grant) – closeout	AID-OFDA-G-17-00128	Jan. 1 - May 31, 2018
10.	Comprehensive Prevention and Curative Health, Nutrition and WASH Package to Mothers and Children Affected by the Lake Chad Crisis (grant) – closeout	AID-OFDA-G-17-00147	Jan. 1 – Jul. 31, 2018
11.	The MUAC Revolution: A new Role for an Old Tool to Scale-up and Simplify Malnutrition Treatment (grant) - closeout	AID-OFDA-G-17-00211	Jan. 1 – Dec. 31, 2018
12.	Strengthening Capacities of Malian Health-Care Providers for the Inpatient Treatment of Sam Children, Mali (grant)	AID-OFDA-G-17-00257	Jan. 1 – Dec. 31, 2018
13.	Multi-Sectoral Emergency Intervention Benefiting IDPs and Hot Communities Affected by the On-Going Crisis in South Sudan (closeout)	AID-OFDA-G-17-00268	Jan. 1- Apr. 30, 2018