



MEMORANDUM

DATE: August 25, 2020

TO: USAID/M/OAA/CAS/CAM, Supervisory Auditor, Eleanor C. Jefferson

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

SUBJECT: Financial Audit of USAID Resources Managed by Solidarités International in Multiple Countries Under Multiple Awards, January 1 to December 31, 2018 (Report No. 4-000-20-105-R)

This memorandum transmits the final audit report on USAID resources managed by Solidarités International under multiple awards listed in the attached Appendix I. Solidarités International 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 Solidarités International'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 Solidarités International's internal controls; (3) determine whether Solidarités International 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 Solidarités International 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 Solidarités International'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. Solidarités International

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.

reported total audited expenditures of \$19,363,787 of which \$16,831,930 were expenditures of 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 \$95,568 in total ineligible questioned costs; no material weaknesses in internal control; and two instances of material noncompliance. 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 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 25, 2020.

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

Recommendation 1. Determine the allowability of \$95,568 in ineligible questioned costs on pages I-6, I-31, and I-32 of the audit report and recover any amount that is unallowable.

Recommendation 2. Verify that Solidarités International corrects the two instances 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 Response for Conflict Induced Affected Communities in Borno State, Northern Nigeria (grant) – closeout	AID-OFDA-G-17-00050	Jan. 1 – May 31, 2018
2.	Emergency Response for Conflict Induced Affected Communities in Borno State, Northern Nigeria (grant)	72OFDA18GR00032	Jun. 1 – Dec. 31, 2018
3.	Pass Through Funding from Alliance for International Medical Action for Nutritional, Pediatric and WASH Emergency Intervention to Benefit IDPs and Host Communities in Far North Region, Cameroon Program (subaward)	72OFDA18GR00127	Jun. 1 – Dec. 31, 2018
4.	Pass Through Funding from Alliance for International Medical Action for Multisectoral Emergency Intervention Benefiting IDPs and Host Communities Affected by the Lake Chad Basin Crisis in Cameroon Program (subaward) – closeout	AID-OFDA-G-17-00128	Jan. 1 – May 31, 2018
5.	Emergency WASH and Winterization Support to IDP Communities and WASH Rehabilitation Support to Host Communities in Syria (cooperative agreement) – closeout	AID-OFDA-A-17-00023	Jan. 1 – Oct. 31, 2018
6.	Linking Emergency Assistance and Response in Northeast Syria (LEARN) Program (cooperative agreement)	72OFDA18CA00045	Oct. 1 – Dec. 31, 2018
7.	Humanitarian Assistance to Populations Affected by the Syrian Conflict Through Winter Support Program (cooperative agreement)	72OFDA18CA00018	Aug. 1 – Dec. 31, 2018
8.	Livelihoods and Shelter Assistance for Conflict Affected Population in Paoua, Ouham Pende, Central African Republic (grant)	72OFDA18GR00218	Sept. 1 – Dec. 31, 2018
9.	Pass Through Funding from Alliance for International Medical Action for Multisectoral Emergency Intervention Benefiting IDPs and Host Communities Affected by the Ongoing Crisis in South Sudan Program (grant) – closeout	AID-OFDA-G-17-00268	Jan. 1 – Mar. 31, 2018
10.	Pass Through Funding from Alliance for International Medical Action for Nutritional, Pediatric and WASH Intervention to Benefit IDPs and Host Communities in Raja County, Western Bahr El Ghazal, South Sudan Program (grant)	72OFDA18GR00252	Aug. 1 – Dec. 31, 2018
11.	Waterproofing: Mitigation of the Rainy Season's Impact in Three Internally Displaced Persons (IDP) Camps in Rakhine State, Myanmar Program (grant) – closeout	AID-OFDA-G-13-00055	Jan. 1 – Aug. 30, 2018
12.	Emergency WASH Assistance and Food Security and Livelihood Support to Vulnerable Populations Affected by Conflicts in Rakhine and Kachin States, Myanmar Program (grant)	72OFDA18GR00050	Jul. 1 – Dec. 31, 2018

13.	Improvement of the Water and Hygiene Access for Vulnerable Populations and Malnourished Children Under 5 of Kidal and Tinnesako Circles- Kidal Region – Mali Program (grant) – closeout	AID-OFDA-G-16-00151	Jan. 1- Sept. 30, 2018
14.	Pass Through Funding from Humanity and Inclusion for Alliance for Community Resilience in Mali Program (grant)	72DFFPI8GR00017	Jun. 1- Dec. 31, 2018
15.	Facilitate Access to Water for Vulnerable Populations and Contribute to Improving the Management of Malnutrition Cases in the Kidal, Segou and Timbuktu Regions, Mali Program (grant)	720FDA18GR00151	Oct. 1 – Dec. 31, 2018
16.	Integrated Multi-Sectoral Response to Sudden Crisis and Protracted Needs of Vulnerable Population Affected by the Conflict in Yemen Program (grant)	720FDA18GR00248	Aug. 1 – Dec. 31, 2018