



MEMORANDUM

DATE: March 4, 2021

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 Medair in Multiple Countries Under Multiple Awards, January 1 to December 31, 2019 (Report No. 4-000-21-043-R)

This memorandum transmits the final audit report on USAID resources managed by Medair in multiple countries under multiple awards listed the attached appendix I. Medair contracted with the independent certified public accounting firm Crowe U.K. LLP, London, United Kingdom, to conduct the audit. The audit firm stated that it performed its audit in accordance with generally accepted government auditing standards (GAGAS). However, it did not have continuing professional education and an external peer review that fully satisfied the requirements of GAGAS. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on Medair'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 Medair's internal controls; (3) determine whether Medair complied with award terms and applicable laws and regulations; (4) review the indirect cost rate; and (5) review the implementation status of the prior period recommendations.

To answer the audit objectives, Crowe U.K. LLP (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 Mediar as

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.

incurred from January 1 to December 31, 2019; (2) evaluated the control environment, the adequacy of the accounting systems, and control procedures that pertain to Medair'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; (4) reviewed the indirect cost rate; and (5) reviewed the implementation status of the prior period recommendations. Medair reported expenditures of \$28,686,229 in 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 no questioned costs; no material weaknesses in internal control; and no instances of material noncompliance. The audit firm issued a management letter.

Accordingly, we are not making any recommendations.

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 March 4, 2021.

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 Name (Type)	Award Number	Period
Essential Services for Host and IDP Populations in Somalia (grant) - closeout	720FDAI8GR00216	Jan. 1 – Jul. 31, 2019
Multi-Sector Support to Vulnerable Populations in South Sudan (grant) - closeout	720FDAI8GR00206	Jan. 1 - Aug. 31, 2019
Emergency Health Response to Vulnerable Populations in the East of the DRC (grant) - closeout	720FDAI8GR00082	Jan. 1 – Jun. 30, 2019
Multi-Sector Response for Vulnerable Conflict Affected Populations in Iraq (grant) - closeout	720FDAI8GR00085	Jan. 1 – May 23, 2019
'Rano Velo' Beloha District Integrated WASH Response (grant) - closeout	720FDAI8GR00063	Jan. 1 - Dec. 31, 2019
Emergency Response for Natural Disaster Affected Populations in Afghanistan (grant) - closeout	720FDAI8GR00235	Jan. 1 – Oct. 31, 2019
Emergency Health Response to the Ebola Outbreak in Eastern DRC (cooperative agreement) - closeout	720FDAI8CA00052	Jan. 1 - Sep. 30, 2019
Integrated Emergency Response for Drought Affected Communities in the Central Highlands of Afghanistan (grant) - closeout	72DFFPI9GR00049	Jul. 1 – Dec. 31, 2019
Emergency WASH and NFI Response to Returnees and Host Communities in Kamonia Territory, Kasai Province (grant) - closeout	720FDAI9GR00020	Feb. 11 – Aug. 9, 2019
Essential Health Nutrition, Food Security and WASH Assistance to Vulnerable Populations in Yemen (subaward)	720FDAI8GR00297	Jan. 1 – Dec. 31, 2019
Multi-Sector Response for Vulnerable Conflict Affected Populations in Iraq (grant)	720FDAI9GR00191	May 24 – Dec. 31, 2019
Essential Services for Host and IDP Populations in South and South-Central Somalia (grant)	720FDAI9GR00183	Aug. 1 – Dec. 31, 2019
Emergency Health Response to Vulnerable Populations in the East of the DRC (grant)	720FDAI9GR00157	Jul. 1 – Dec. 31, 2019
Multi-Sector Support to Vulnerable Populations in South Sudan (grant)	720FDAI9GR00156	Sep. 1 – Dec. 31, 2019
Essential Health, Nutrition, and WASH Assistance to Vulnerable and Conflict-Affected Populations in Yemen (grant)	720FDAI9GR00203	Sep. 1 - Dec. 31, 2019
Emergency Multi-Sectoral Response to the Ebola Outbreak in DRC (cooperative agreement)	720FDAI9CA00080	Oct. 1 – Dec. 31, 2019