



## MEMORANDUM

**DATE:** April 26, 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 Solidarités International in Multiple Countries Under Multiple Awards, January 1 to December 31, 2019 (Report No. 4-000-21-054-R)

This memorandum transmits the final audit report on USAID resources managed by Solidarités International in multiple countries under multiple awards listed in the attached appendix I. Solidarités International contracted with the independent certified public accounting firm, Gelman Rosenberg & Freedmen (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.<sup>1</sup>

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; (4) review the indirect cost rate; and (5) review the implementation status of the prior period recommendations.

To answer the audit objectives, GRF (1) audited the fund accountability statement for the awards 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

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<sup>1</sup> 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.

International as 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 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; (4) reviewed the indirect cost rate; and (5) reviewed the implementation status of the prior period recommendations. Solidarités International reported expenditures of \$45,671,077 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 and raised \$2,526 in total ineligible questioned costs; no material weaknesses in internal control; and two instances 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 \$2,526 in questioned costs and recover any amount determined to be unallowable. In addition, although we are not making a recommendation for significant deficiencies noted in the report as they are also reported as instances of material noncompliance.

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 April 26, 2021.

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

**Recommendation I.** Verify that Solidarités International corrects the two instances of material noncompliance detailed on pages III-1 to III-3 of the audit report.

We ask that you provide your written notification of actions planned or taken to reach management decision.

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 (USAID awards)

No.	Award Description (type)	Award Number	Audit Period
1.	Strengthening the Resilience of Communities to Natural Disasters in Bangladesh (grant award)	72OFDA19GR00093	Jul. 15 to Dec. 31, 2019
2.	Emergency WASH, NFI and Shelter Assistance in the Centre-Nord, Nord and Sahel Region of Burkina Faso (grant award)	72OFDA19GR00154	Jun. 14 to Dec. 31, 2019
3.	Nutritional, Pediatric and WASH Emergency Intervention to Benefit IDPs and Host Communities in Far North Region, Cameroon (pass-through from ALIMA, closeout)	72OFDA18GR00127	Jan. 1 to May 31, 2019
4.	Emergency Public Health Assistance to Crisis-Affected Communities in Southwest Region of Cameroon (grant award)	72OFDA19GR00061	May 1 to Dec. 31, 2019
5.	Support to Crisis-level Humanitarian WASH Coordination Structures, Their Stakeholders and Affected Populations of France (pass-through award from Norwegian Church Aid)	72OFDA18GR00212	Jan. 1 to Dec. 31, 2019
6.	Alliance for Community Resilience in Mali (pass-through Humanity & Inclusion, USAID award, closeout)	72DFFP18GR00017	Jan. 1 to Mar. 5, 2019
7.	Facilitate Access to Water for Vulnerable Populations and Contribute to Improving the Management of Malnutrition Cases in the Kidal, Segou and Timbuktu Regions, Mali (grant award, closeout)	72OFDA18GR00151	Jan. 1 to Sept. 30, 2019
8.	Jiguisigui- Relieve the Suffering in Mali (grant award)	72OFDA19GR00279	Oct. 1 to Dec. 31, 2019
9.	Alliance for Community Resilience for Handicap International in Mali (pass-through Humanity & Inclusion, USAID sub-award)	72DFFP19GR00038	May 1 to Dec. 31, 2019
10.	Emergency WASH Assistance and Food Security and Livelihood Support to Vulnerable Populations Affected by Conflicts in Rakhine and Kachin States in Myanmar (grant award, closeout)	72OFDA18GR00050	Jan. 1 to Jun. 30, 2019
11.	Emergency WASH Assistance and Food Security and Livelihood	72OFDA19GR00088	Jul. 1 to Dec. 31, 2019

	Support to Vulnerable Populations Affected by Conflicts in Rakhine and Kachin States in Myanmar (grant award)		
12.	Emergency Response for Conflict Induced Affected Communities in Borno State, Northern Nigeria (grant award, closeout)	72OFDA18GR00032	Jan. 1 to Jul. 31, 2019
13.	Improvement of Access to Basic Nutrition, Health, Wash and Shelters Services for IDPs and Host Communities in Borno, Nigeria (grant award)	72OFDA19GR00229	Jul. 1 to Dec. 31, 2019
14.	Livelihoods and Shelter Assistance for Conflict Affected Population in Paoua, Ouham Pende, Central African Republic (grant award, closeout)	72OFDA18GR00218	Jan. 1 to Dec. 31, 2019
15.	Nutritional, Pediatric and WASH Intervention to Benefit IDPs and Host Communities in Raja County, Western Bahr El Ghazal, South Sudan (pass-through from ALIMA, USAID sub-award, closeout)	72OFDA18GR00252	Jan. 1 to Jul. 31, 2019
16.	Integrated Multi-Sectoral (Health, Nutrition and WASH) Intervention for IDPs, Returnees and Host Communities in Raja County Western Bahr El Ghazal-South Sudan (pass-through from ALIMA, USAID sub-award)	72OFDA19CA00035	Aug. 1 to Dec. 31, 2019
17.	Linking Emergency Assistance and Response in Northeast Syria (LEARN) (cooperative agreement)	72OFDA18CA00045	Jan. 1 to Dec. 31, 2019
18.	Humanitarian Assistance to Populations Affected by the Syrian Conflict Through Winter Support (cooperative agreement, closeout)	72OFDA18CA00018	Jan. 1 to Dec. 31, 2019
19.	Integrated Multi-Sectoral Response to Sudden Crisis and Protracted Needs of Vulnerable Population Affected by the Conflict in Yemen (grant award, closeout)	72OFDA18GR00248	Jan. 1 to Sep. 30, 2019
20.	Integrated Multi-Sectoral Response to Sudden Shocks and Acute Needs of Conflict-Affected Population in Yemen (grant award)	72OFDA19GR00200	Oct. 1 to Dec. 31, 2019