



MEMORANDUM

DATE: September 23, 2021

TO: USAID/Management/Office of Acquisition and Assistance/Cost, Audit and Support Division, Supervisory Auditor, Eleanor C. Jefferson

FROM: Director of External Financial Audits Division (IG/A/EFA), David A. McNeil /s/

SUBJECT: Financial Audit of CESVI Under Multiple USAID Agreements, for the Fiscal Year Ended December 31, 2018 (3-000-21-028-R)

This memorandum transmits the final audit report on the recipient contracted audit of CESVI for the fiscal year (FY) ended December 31, 2018. CESVI contracted with the independent certified public accounting firm of Gelman, Rosenberg & Freedman (GRF) to conduct the audit. The audit firm stated that it performed audit in accordance with generally accepted government auditing standards and the U.S. Agency for International Development's (USAID) Financial Audit Guide for Foreign Organizations. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on CESVI's fund accountability statement; the effectiveness of its internal control; and 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 CESVI's internal controls; and (3) determine whether CESVI complied with award terms and applicable laws and regulations. To answer the audit objectives, GRF (a) evaluated the effectiveness of the design and operation of the internal controls that it considered relevant to preventing or detecting material noncompliance with the compliance requirements applicable to each of CESVI's U.S. Government awards; and (b) examined the underlying documentation which supported the financial transactions recorded as expenditures against the U.S.

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.

Government Awards. The report on the fund accountability statement disclosed that CESVI's audited USAID expenditures for the FY ended December 31, 2018, were \$1,576,787.

GRF expressed an unqualified opinion stating that the fund accountability statements presented fairly, in all material respects, costs incurred and reimbursed by USAID and pass-through entities for the year ended December 31, 2018, in accordance with the terms of the agreements and in conformity with the accrual basis of accounting, except that property and equipment purchased with U.S. Government funds is expensed when purchased. The audit firm did not identify any deficiencies that were considered material weaknesses in internal control and did not identify any instances of noncompliance that are required to be reported under *U.S. Government Auditing Standards*. GRF did not identify any findings or questioned costs. The audit firm issued a management letter that is included in the report.

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").