



MEMORANDUM

DATE: October 25, 2021

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

FROM: USAID OIG Middle East and Eastern Europe (ME/EE) Regional Office, Supervisory Auditor, John Vernon /s/

SUBJECT: Financial Audit of Tearfund Under Multiple USAID Awards, for the Year Ended March 31, 2019 (8-000-22-001-R)

This memorandum transmits the final audit report of the fund accountability statement of Tearfund under the following awards:

Award Name (Type)	Award Number	Period	Sub-implementer
Emergency WASH and Food Security Support to Conflict-Affected Population in Eastern Congo (grant)	720FDAI8GR00073 (Congo)	April 1, 2018-March 31, 2019	n/a
Meet Critical Needs and Reduce the Social and Economic Impact on the Conflict on Affected Communities and Individuals in Iraq (grant)	720FDAI8GR00134 (Iraq)	April 1, 2018-March 31, 2019	n/a
Integrated Response to life Threatening Malnutrition in South Sudan (grant)	720FDAI8GR00205 (South Sudan)	April 1, 2018- March 31, 2019	n/a

Award Name (Type)	Award Number	Period	Sub-implementer
Ebola Virus Disease in North Kivu and Ituri: Strengthening Communities Prevention, Response and Recovery (grant)	DRC-OFDA-POST EBOLA-Tearfund (Congo)	April 1, 2018-March 31, 2019	Tearfund
Integrated Response to life Threatening Malnutrition in South Sudan (closeout/grant)	AID-OFDA-G-17-00164 (South Sudan)	April 1, 2018-March 31, 2019	n/a
IDP and Returnee WASH, Basic Needs and Mental Health Assistance in Iraq (closeout/grant)	AID-OFDA-G-17-00215 (Iraq)	April 1, 2018-March 31, 2019	n/a
Tuendele Pamoja II in the Democratic Republic of Congo (subaward)	FH-GMT-18U-002 (Congo)	April 1, 2018-March 31, 2019	Tearfund
PASSAGES: Transforming Social Norms for Sexual and Reproductive Health (subaward)	7771726 (Congo)	April 1, 2018-March 31, 2019	Tearfund
n/a	AID-OFDA-G-16-000142 (South Sudan)	April 1, 2018-March 31, 2019	n/a
n/a	AID-OFDA-G-15-000184 (South Sudan)	April 1, 2018-March 31, 2019	n/a
n/a	AID-OFDA-G-14-000186 (South Sudan)	April 1, 2018-March 31, 2019	n/a

Tearfund contracted with the independent certified public accounting firm Gelman, Rosenberg & Freedman, CPAs & Advisors to conduct the audit. The audit firm stated that it performed its audit in accordance with U.S. Government Auditing Standards and the Guidelines for Financial Audits Contracted by Foreign Recipients. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on auditee's fund

accountability statement; the effectiveness of its internal control; or its compliance with the awards, laws, and regulations.¹

The audit objectives were mainly to: (1) express an opinion on whether the fund accountability statement for the period audited was presented fairly in all material respects; (2) evaluate the auditee's internal controls; and (3) determine whether auditee complied with the awards terms and applicable laws and regulations. To answer the audit objectives, the audit firm performed the subject financial audit the covered \$13,192,706 for the period from April 1, 2018, to March 30, 2019.

The audit firm concluded that the fund accountability statement presented fairly, in all material respects, program revenues and costs incurred under the awards for the period audited and questioned ineligible costs of \$9,284 (\$7,829 ineligible and \$1,455 related indirect costs). The audit firm did not identify any material weaknesses in internal control or any material instances of 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 determine the allowability of the \$9,284 in questioned costs and recover any amount determined to be unallowable. Furthermore, the report included personally identifiable information (PII) in pages 26-31.

During our desk review, we noted issues which the audit firm may need to address in future audit reports. We presented these issues in a memo to the USAID Chief Financial Officer, dated October 25, 2021.

The report does not include any recommendations for your action.

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").

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.