



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: January 5, 2022

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 Fundación Oxfam Intermon Under Multiple, USAID Agreements for the Fiscal Year Ended March 31, 2020 (3-000-22-004-R)

This memorandum transmits the final audit report on the recipient contracted audit of Fundación Oxfam Intermon (Oxfam) for the fiscal year ended March 31, 2020. Oxfam contracted with the independent certified public accounting firm Gelman, Rosenberg & Freedman (GRF) to conduct the audit. The audit firm stated that it performed its audit in accordance with generally accepted government auditing standards (GAGAS) 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 Oxfam'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 Oxfam's internal controls; and (3) determine whether Oxfam complied with award terms and applicable laws and regulations. To answer the audit objectives, the audit firm (a) determined whether advances of funds were justified with documentation, including reconciliations of funds advanced, disbursed, and available, and ensured that all U.S. Government funding received by the recipient was appropriately recorded in the recipient's accounting records; and (b) reviewed travel and transportation charges to determine whether they were adequately supported and approved. The report on the fund accountability statement disclosed that USAID's audited expenditures were \$5,564,001 for the fiscal year ended March 31, 2020.

The audit firm concluded that the fund accountability statement presents fairly, in all material respects, costs incurred and reimbursed by USAID for the year ended March 31, 2020, in accordance with the terms of the agreements and in conformity with the accrual basis of accounting except for property and equipment that is purchased with U.S. Government funding

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.

and expensed when purchased. The audit firm did not identify any material weaknesses in internal control and disclosed no instances of noncompliance that are required to be reported under U.S. *Government Auditing Standards*. The audit firm questioned direct costs of \$1,943 (\$1,943 unsupported). 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 Management/Office of Acquisition and Assistance/Cost, Audit and Support Division determine the allowability of the \$1,943 in questioned costs and recover any amount determined to be unallowable. The audit firm included a management letter in the audit 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").