



# OFFICE OF INSPECTOR GENERAL

## U.S. Agency for International Development

### MEMORANDUM

**DATE:** March 10, 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 Report of Stichting Free Press Unlimited Under Grant 7200AA18CA00005 for the Year Ended December 31, 2019 (3-000-22-011-R)

This memorandum transmits the final audit report on the recipient contracted audit of Stichting Free Press Unlimited (SFPU) Under Grant 7200AA18CA00005 for the year ended December 31, 2019. SFPU contracted with the independent certified public accounting firm Mazars N.V. (Mazars) to conduct the audit. The audit firm stated that it performed its audit in accordance with generally accepted government auditing standards (GAGAS) and U.S. Agency for International Development's (USAID) Financial Audit Guide for Foreign Organizations. However, it did not fully satisfy the continuing professional education requirements or have an external quality control review by an unaffiliated audit organization as set forth in GAGAS. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on SFPU'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 SFPU's internal controls; and (3) determine whether SFPU complied with award terms and applicable laws and regulations. To answer the audit objectives, the audit firm (a) selected a sample of transactions from the expenditure detail; and (b) used sampled items to perform detailed testing, such as recomputing invoices and salaries to ensure that costs were allowable, allocable, and reasonable. The report on the fund accountability statement disclosed that USAID's audited expenditures were \$1,809,798 for the year ended December 31, 2019.

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 December 31, 2019. The audit firm did not identify any material weaknesses in internal control and disclosed no

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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.

instances of noncompliance that are required to be reported under U.S. *Government Auditing Standards*. Mazars did not question any costs, and its management letter was included 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”).