



# OFFICE OF INSPECTOR GENERAL

## U.S. Agency for International Development

### MEMORANDUM

**DATE:** February 21, 2025

**TO:** Sheree Marshall  
Supervisory Auditor  
USAID/Management/Office of Acquisition and Assistance/Cost, Audit and Support Division/Contract Audit Management Branch

**FROM:** David A. McNeil /s/  
Director, External Financial Audits Division

**SUBJECT:** Financial Audit of Helvetas Swiss Intercooperation Under Multiple USAID Agreements for the Fiscal Year Ended December 31, 2023 (3-000-25-017-R)

This memorandum transmits the final audit report on the recipient contracted audit of Helvetas Swiss Intercooperation (Helvetas) under multiple USAID agreements for the fiscal year ended December 31, 2023. Helvetas contracted with Gelman, Rosenberg & Freedman (GRF) to conduct the audit. GRF stated that it performed the audit in accordance with generally accepted government auditing standards (GAGAS) and the U.S. Agency for International Development (USAID) Financial Audit Guide for Foreign Organizations. GRF is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on Helvetas's schedule of expenditures, the effectiveness of its internal control, or its compliance with the awards, laws, and regulations.<sup>1</sup>

The audit objectives were to: (1) express an opinion on whether the schedule of expenditures of USAID awards presents fairly in all material respects, the revenues received, costs incurred, and assets, commodities, and technical assistance directly procured with USAID funding for the period audited in conformity with the terms of the awards; (2) evaluate and obtain a sufficient understanding of the Helvetas's internal controls related to the USAID funded programs, assess control risk, and identify reportable conditions, including material internal control weaknesses; (3) determine whether Helvetas complied, in all material respects, with agreement terms and applicable laws and regulations related to USAID-funded programs; (4) determine if Helvetas has taken adequate corrective action on prior audit report recommendations; and (5) review cost-sharing contributions to determine whether they were provided and accounted for by the recipient in accordance with the terms of the agreements. To answer the audit objectives, GRF

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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.

procedures included, but were not limited to the following: (a) the review of general and program ledgers to determine whether costs incurred were properly recorded, and reconciled direct costs billed to, and reimbursed by USAID and pass-through entities to the program and general ledgers; (b) the review and evaluation of Helvetas's internal controls related to USAID programs to obtain a sufficient understanding of the design of relevant control policies and procedures and whether those policies and procedures have been placed in operation; (c) the identification of the agreement terms and pertinent laws and regulations and the determination of which of those, if not observed, could have a direct and material effect on the fund accountability statements, and the assessed inherent and control risk that material noncompliance could occur for each of the compliance requirements; and (d) the review of the cost-sharing/matching contributions schedule to determine if the schedule is fairly presented in accordance with the basis of accounting used by the recipient to prepare the schedule. GRF examined total USAID expenditures of \$ 1,394,349 in the fiscal year 2023.

GRF concluded that the schedule of expenditures of USAID awards presents fairly, in all material respects, the costs incurred and reimbursed by USAID and pass-through entities for the year ended December 31, 2023, in accordance with the terms of the agreements. GRF identified no questioned costs. GRF did not identify any deficiencies in internal control or deficiencies in internal control over compliance that were considered material weaknesses. However, GRF did identify a certain deficiency in internal control over compliance that was considered a significant deficiency. In addition, although we are not making a recommendation for significant deficiencies noted in the report, we suggest that the USAID/Management/Office of Acquisition and Assistance/Cost, Audit and Support Division/Contract Audit Management Branch determine if the recipient addressed the issues noted. GRF was not aware of any material modifications that should be made to the report on the cost-sharing schedule in order for them to be in accordance with accounting principles generally accepted in the United States of America. GRF reported that there had been no prior audits of the USAID-funded programs; accordingly, no previous audit recommendations pertaining to USAID awards were noted. GRF noted certain matters involving internal controls and its operation, as well as certain immaterial instances of noncompliance that we have reported to the management of Helvetas.

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"). In addition, USAID OIG has determined that this transmittal memo and the enclosed report are not subject to notification and reporting requirements under Section 5274 of the National Defense Authorization Act.<sup>2</sup>

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<sup>2</sup> The James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 Pub. L. No. 117-263, § 5274. Please direct related inquiries to [oinotice\\_ndaa5274@usaid.gov](mailto:oinotice_ndaa5274@usaid.gov).