



OFFICE OF INSPECTOR GENERAL U.S. Agency for International Development

MEMORANDUM

DATE: January 27, 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 Norwegian Church Aid Federal Awards for the Year Ended December 31, 2019 (3-000-22-007-R)

This memorandum transmits the final audit report on the recipient contracted audit of Norwegian Church Aid (NCA) under U.S. Agency of International Development (USAID) multiple awards, for the year ended December 31, 2019. NCA contracted with the independent certified public accounting firm Gelman, Rosenberg & Freedman to conduct the audit on USAID's multiple awards. The audit firm stated that the contract required the audit firm to perform the audit in accordance with generally accepted government auditing standards and the USAID's *Guidelines for Financial Audits Contracted by Foreign Recipients*. The audit firm states that it performed its audit in accordance with generally accepted government auditing standards. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on NCA'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 NCA's internal controls; and (3) determine whether NCA complied with award terms and applicable laws and regulations. To answer the audit objectives, the audit firm; (a) performed audit procedures to evaluate the effectiveness of internal controls considered relevant; and (b) examined underlying documentation which supported the financial transactions recorded as expenditures against U.S. Government Awards. The auditors expressed an unmodified opinion on the fund accountability statement. The report on the fund accountability statement disclosed that USAID's audited expenditures were \$1,851,561 for the fiscal year ended December 31, 2019.

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.

The audit firm concluded the fund accountability statement presented fairly, in all material respects, costs incurred and reimbursed by USAID for the year ended December 31, 2019, 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 funds, which is expensed when purchased. The audit firm did not identify any material weaknesses in internal control and disclosed no instances of noncompliance's that are required to be reported under U.S. *Government Auditing Standards*. The auditors did not question any costs.

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").