



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

MEMORANDUM

DATE: October 23, 2023

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

FROM: Director of External Financial Audits Division (IG/A/EFA), David A. McNeil /s/

SUBJECT: Financial Audit of Terre des hommes Under Multiple Awards, for the Fiscal Year Ended December 31, 2019 (3-000-24-003-R)

This memorandum transmits the final report on the financial audit of multiple U.S. Agency for International Development (USAID) awards managed by Terre des hommes under multiple awards, for the Fiscal Year Ended December 31, 2019. Terre des hommes contracted with the independent certified public accounting firm Sayer Vincent LLP (Sayer) to conduct the audit. Sayer stated that it performed its audit in accordance with generally accepted government auditing standards (GAGAS) and USAID Financial Audit Guide for Foreign Organizations. However, it did not have a continuing education program that fully complies with GAGAS requirements and an external peer review because such program is not offered in United Kingdom. Sayer is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on Terre des hommes's schedule of expenditures of USAID awards (SE); 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 Terre des hommes' internal controls; (3) determine whether Terre des hommes complied with award terms and applicable laws and regulations; and (4) determine if the recipient has taken adequate corrective actions on prior audit report recommendations. To answer the audit objectives, Sayer (a) expressed an opinion on whether the fund accountability statement for the USAID-funded programs presents fairly in all material respects in relation to the recipient's

¹ We reviewed the audit 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 audit firm's supporting working papers; they are not designed to enable us to directly evaluate the quality of the audit performed.

financial statements as a whole and in 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 award and generally accepted accounting principles, (b) performed tests to determine whether the recipient complied, in all material respects, with agreement terms, and (c) evaluated the effectiveness of the design of internal controls relevant to detecting material non-compliance. Sayer audited expenditures for \$5,881,815 for the fiscal year ended December 31, 2019.

Sayer concluded that the fund accountability statement presented fairly, in all material respects, program revenues, costs incurred and reimbursed, and commodities and technical assistance directly procured by USAID for the year ended in accordance with the terms of the awards and in conformity with the modified accrual basis of accounting. There were no questioned costs identified. Sayer did not identify any material weaknesses in internal control, and did not identify any instances of material noncompliance with U.S. Government Auditing Standards. Sayer reported that there were no prior report recommendations. Sayer noted certain matters involving internal control and its operation and immaterial instances of non-compliance that have been reported in the separate management letter.

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.²

² 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.