



# OFFICE OF INSPECTOR GENERAL

## U.S. Agency for International Development

### MEMORANDUM

**DATE:** January 29, 2024

**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 Premiere Urgence Internationale Under Multiple Awards for the Fiscal Year Ended December 31, 2021 (3-000-24-026-R)

This memorandum transmits the final audit report on the U.S. Agency for International Development (USAID) resources managed by Premiere Urgence Internationale (PUI) under multiple awards for the fiscal year (FY) ended December 31, 2021. PUI contracted with the independent certified public accounting firm of Gelman Rosenberg & Freedman (GRF) to conduct the audit. GRF stated that it performed its audit in accordance with generally accepted government auditing standards (GAGAS) and USAID's 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 the PUI'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 schedule of expenditures for the period audited were presented fairly, in all material respects, respects, the revenues received, costs incurred, and commodities and technical assistance directly procured by the U.S. Government for the period audited in conformity with the terms of the agreements and generally accepted accounting principles; (2) evaluate PUI's internal controls; (3) determine whether PUI complied, in all material respects, with agreement terms and applicable laws and regulations related to U.S. Government funded programs; (4) determine whether PUI has taken adequate action on prior audit report recommendations; (5) perform an audit of the indirect cost rate if the PUI has been authorized to charge indirect costs to U.S. Government awards using provisional rates; and (6) determine whether the general purpose financial statements were audited in accordance with GAGAS and whether those audited financial statements

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<sup>1</sup> 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.

express an opinion on whether the general purpose financial statements present fairly, in all material respects, the results of its operations for the year then ended, in conformity with generally accepted accounting principles. To answer the audit objectives, GRF (1) reviewed direct and indirect costs billed to and reimbursed by U.S. Government and pass through agencies and costs incurred but pending reimbursement, and identified and quantified any questioned costs; (2) reviewed and evaluated the PUI's internal controls related to U.S. Government 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; (3) identified the agreement terms and pertinent laws and regulations and determined which of those, if not observed, could have a direct and material effect on the schedule of expenditures of USAID awards, and assessed the inherent and control risk that material noncompliance could occur for each of the compliance requirement; (4) reviewed the status of actions taken on findings and recommendations reported in prior audits of U.S. Government-funded programs, and evaluated whether PUI has taken appropriate corrective action; (5) determined whether PUI has used provisional rates to charge indirect costs to USAID, and pass-through agencies; and (6) examined the PUI's audited general purpose financial statements (statutory audit report) to determine whether an opinion was expressed as to whether those statements were presented fairly in all material respects in accordance with the applicable accounting principle. GRF reported total USAID audited expenditures of \$44,368,926 for the FY ended December 31, 2021.

GRF concluded that the schedule of expenditures presented fairly, in all material respects, program revenues and costs incurred under the awards for the period audited. GRF identified no questioned costs and one significant deficiency in internal control that was also reported as an instance of noncompliance that is required to be reported under GAGAS. Although we are not making a recommendation for the significant deficiency noted in the report, we suggest that USAID's Office of Acquisition and Assistance Cost, Audit and Support Division/Contract Audit Management Branch determine if PUI addressed the significant deficiency on page IV-2 of the audit report. In the opinion of the other auditor, the financial statements referred to above give a true and fair view of the financial position and the assets and liabilities of PUI as of December 31, 2021, and the results of its operations for the year then ended in accordance with French accounting regulations. In GRF's opinion, the information in the accompanying statements of indirect rate calculation and indirect expenses is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. GRF noted that the previous prior report significant deficiency was not cleared. GRF noted certain matters involving internal control and its operation and certain immaterial non-compliance instances reported to PUI management in the report on findings and recommendations, section IV of the audit report.

To address the problems identified in the report, we recommend that USAID's Office of Acquisition and Assistance Cost, Audit and Support Division/Contract Audit Management Branch:

**Recommendation I:** Verify that Premiere Urgence Internationale corrects the instance of material noncompliance detailed on page III-2 of the audit report.

We ask that you provide your written notification of actions planned or taken to reach a

management decision.

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 [oignotice\\_ndaa5274@usaid.gov](mailto:oignotice_ndaa5274@usaid.gov).