



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

MEMORANDUM

DATE: February 16, 2024

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

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

SUBJECT: Financial Audit of Fundación Oxfam Intermon Under Multiple, USAID Agreements for the Fiscal Year Ended March 31, 2021 (3-000-24-035-R)

This memorandum transmits the final audit report on the recipient contracted audit of Fundación Oxfam Intermon (Oxfam) for the fiscal year ended March 31, 2021. Oxfam contracted with the independent audit firm Gelman, Rosenberg & Freedman (GRF) to conduct the audit. GRF stated that it performed its audit in accordance with generally accepted government auditing standards. GRF is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on Oxfam's schedule of expenditures of the U.S. Agency for International Development (USAID) awards; 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 schedule of expenditures of USAID awards present fairly in all material 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 Oxfam's internal controls; (3) determine whether Oxfam complied with award terms and applicable laws and regulations; and (4) determine if the recipient had taken adequate corrective action on prior audit report recommendations. To answer the audit objectives, GRF's procedures included (but were not limited to) the following: (1) reviewed direct and indirect costs billed to and reimbursed by the U.S. Government and pass through agencies; (2) reviewed general and program ledgers to determine whether costs incurred were properly recorded; (3) reconciled direct costs billed to and reimbursed by U.S. Government and pass through agencies to the program and general ledgers; (4) reviewed Oxfam's internal controls and compliance with agreement terms and applicable laws and

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.

regulations; (5) determined whether advances of funds were justified with documentation, including reconciliations of funds advanced, disbursed, and available, and ensured that all U.S. Government funding received by the recipient was appropriately recorded in the recipient's accounting records and that those records were periodically reconciled with information provided by U.S. Government and pass through agencies; and (6) followed up on prior audit recommendations. The schedule of expenditures disclosed that USAID's audited expenditures were \$3,532,290 for the fiscal year ended March 31, 2021.

GRF concluded that the schedule of expenditures of USAID awards presented fairly, in all material respects, the costs incurred and reimbursed by USAID. GRF did not identify any questioned costs, or material weaknesses or significant deficiencies with internal controls nor did GRF disclose any instances of non-compliance that were required to be reported under U.S. Government Auditing Standards. However, GRF did note certain matters involving internal control in Oxfam's operation and certain immaterial non-compliance instances reported to Oxfam's management in the independent auditor's report on current year findings and recommendations. In addition, GRF noted seven audit recommendations from prior years; five were cleared and two were ongoing.

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

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