



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: November 9, 2021

TO: USAID/Management/Office of Acquisition and Assistance/Cost, Audit and Support Division, Supervisory Auditor, Eleanor C. Jefferson

FROM: USAID/OIG Middle East and Eastern Europe (ME/EE) Regional Office, Supervisory Auditor, John Vernon /s/

SUBJECT: Audit of the Fund Accountability Statement of Deutsche Welthungerhilfe e. V. Under Multiple USAID Grants for the Year Ended December 31, 2018 (8-000-22-004-R)

This memorandum transmits the final audit report on the fund accountability statement of Deutsche Welthungerhilfe e. V. under the following awards

| Award Name (Type) | Award Number | Period | Sub-implementer |
|--|---------------------|--------------------------------|------------------------|
| Saving Lives in Host Areas Affected by Ongoing ADF/NALU Conflict in North Kivu, Democratic Republic of Congo (DRC) (Grant - Closeout) | AID-OFDA-G-17-00213 | January 1 to December 31, 2018 | N/A |
| Support to Increasing Humanitarian Efficiency Through Emergency Supplies and Prepositioning Strategy Working Group (Grant - Closeout) | AID-OFDA-G-17-00080 | January 1 to December 31, 2018 | N/A |
| Saving Lives in Host Areas Affected by Ongoing ADF/NALU Conflict in North Kivu, Democratic Republic of Congo (DRC) (Grant) | 72OFDA18GR00275 | January 1 to December 31, 2018 | N/A |

| Award Name (Type) | Award Number | Period | Sub-implementer |
|--|---------------------|--------------------------------|------------------------|
| Support to Increasing Humanitarian Efficiency Through Emergency Supplies and Prepositioning Strategy Working Group (Grant) | 72OFDA18GR00110 | January 1 to December 31, 2018 | N/A |

The auditee contracted with the independent certified public accounting firm KPMG AG to conduct the audit. The audit firm stated that it performed the audit in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States. However, the audit firm did not fully satisfy the continuing professional education requirements, and it did not have an external quality control review by an unaffiliated audit organization since no such program is offered by professional organizations in Germany. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on the auditee’s fund accountability statement; the effectiveness of its internal controls; or its compliance with the awards, laws, and regulations.¹

The audit objectives were mainly to: (1) express an opinion on whether the fund accountability statement for the period audited was presented fairly, in all material respects; (2) evaluate the auditee’s internal controls; and (3) determine whether the auditee complied with the awards terms and applicable laws and regulations. To answer the audit objectives, the audit firm performed the subject financial audit that covered \$863,580 from January 1 to December 31, 2018.

The auditors expressed an unmodified opinion on the fund accountability statement and did not identify any questioned costs. The audit firm did not identify any material internal control weaknesses, or any material instances of noncompliance with the agreement’s terms, conditions, and applicable laws and regulations.

During our desk review, we noted minor issues which the audit firm will need to address in its future audit reports. We presented these issues in a letter to the CFO dated November 9, 2021.

The report does not contain any recommendations for your action.

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

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.

Exemption Four, 5 U.S.C. 552(b)(4) (“commercial or financial information obtained from a person that is privileged or confidential”).