



# OFFICE OF INSPECTOR GENERAL

## U.S. Agency for International Development

### MEMORANDUM

**DATE:** May 4, 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:** Single Audit of Winrock International Institute for Agricultural Development Combined for the Year Ended 2016 (3-000-22-004-T)

This memorandum transmits the final audit report on the Single Audit of Winrock International Institute for Agricultural Development Combined<sup>1</sup> (Winrock) for the year ended December 31, 2016. The audit report was obtained from the Federal Audit Clearinghouse. Hudson Cisne & Co. LLP (Hudson Cisne) performed the Title 2 U.S. Code of Federal Regulations (CFR) Part 200 audit. The audit firm states it performed its audit in accordance with generally accepted government auditing standards and in accordance with Title 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. The audit firm is responsible for the enclosed report and conclusions expressed in it. We do not express an opinion on Winrock's financial statements; the effectiveness of its internal control; or its compliance with the awards, laws, and regulations.<sup>2</sup>

The audit objectives were to: (1) express an opinion on whether the financial statements as of December 31, 2016 were presented fairly in all material respects; (2) express an opinion on whether the schedule of expenditures of federal awards as required by Title 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is fairly stated in all material respects; (3) describe the scope of testing of internal control and compliance and the results of that testing and not to provide an opinion on its effectiveness; and (4) determine whether the Winrock complied in all material respects with the types of compliance requirements that could have a direct and material effect on each of its major federal programs and the results of that testing, but not to express an opinion on its effectiveness. To answer the audit objectives, the audit firm performed tests of Winrock's

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<sup>1</sup> On May 11, 2016, Winrock entered a cooperative agreement with Arkansas Regional Innovation Hub, Inc. (Hub) to consolidate operations to grow economic development in the State of Arkansas. The December 31, 2016, combined financial statements included the amounts of Winrock and the Hub, while the December 31, 2015, financial statements only included Winrock.

<sup>2</sup> 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.

compliance with specific provisions of laws, regulations, contracts, and grant agreements, and other matters. Winrock's audited expenditures of federal awards were \$92,782,753, of which the U.S. Agency for International Development's (USAID) audited expenditures of Federal Awards were \$80,033,113, for period ended December 31, 2016.

The audit firm expressed unmodified opinions on the combined financial statements, on compliance for the major federal programs, and concluded that the schedule of expenditures of federal awards was fairly stated, in all material respects, in relation to the financial statements as a whole. The audit firm did not identify any material weaknesses in internal control or internal control over compliance. However, Hudson Cisne identified a significant deficiency in internal control, which resulted in Finding 2016-001. In addition, the audit firm did not identify any instances of noncompliance or other matters that were required to be reported under *Government Auditing Standards* or question any costs. Although we are not making a recommendation for the significant deficiency noted in the report, we suggest that USAID/Management/Office of Acquisition and Assistance/Cost, Audit and Support Division determine if the recipient addressed the issues noted

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").