



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

MEMORANDUM

DATE: June 14, 2023

TO: USAID/Management/Office of Acquisition and Assistance/Cost, Audit, and Support Division, Contract Audits Management Branch, Acting Supervisory Auditor, Maya Cole

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

SUBJECT: Single Audit of Family Health International for the Year Ended September 30, 2017 (3-000-23-003-T)

This memorandum transmits the final audit report on the single audit of Family Health International (FHI) for the year ended September 30, 2017. The audit report was obtained from the Federal Audit Clearinghouse. Ernst & Young LLP (EY) performed the Title 2 U.S. Code of Federal Regulations (CFR) Part 200 audit. EY stated that it performed its audit in accordance with U.S. Government accounting standards issued by the Comptroller General of the United States and in accordance with Title 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. EY is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on FHI's fund accountability statement; the effectiveness of its internal control; or its compliance with the awards, laws, and regulations.¹

The audit objectives were to: (1) express an opinion on the consolidated financial statements; (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) perform tests of FHI's internal control and compliance. To answer the audit objectives, EY performed tests of FHI's compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. FHI's audited expenditures of Federal awards were \$663,992,375 of which the U.S. Agency for International Development's (USAID) audited expenditures of Federal awards were \$492,759,709 for the year ended September 30, 2017.

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.

EY expressed unmodified opinions on the consolidated financial statements and stated that it presented fairly, in all material respects, FHI's consolidated financial position as of September 30, 2017. Further, EY expressed an unmodified opinion on FHI's compliance for the major Federal programs and identified no instances of noncompliance or other matters required to be reported under Government Auditing Standards. Additionally, EY did not identify any material weaknesses in internal control over financial reporting. Finally, EY concluded that it did not identify any material weaknesses in internal control over compliance. FHI 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 there are no findings required to be reported in accordance with 2 CFR 200.516(a).

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 oignotice_ndaa5274@usaid.gov.