



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: November 22, 2023

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

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, 2019 (3-000-24-009-T)

This memorandum transmits the final single audit report of Family Health International (FHI) for the year ended September 30, 2019. 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, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards audit in accordance with U.S. Government accounting standards issued by the Comptroller General of the United States. EY is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on FHI's financial statements; 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; and (2) report on FHI's internal control over financial reporting and on FHI's compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. To answer the audit objectives, EY: (1) obtained evidence about the amounts and disclosures in the consolidated financial statements; and (2) evaluated the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management and evaluated the overall presentation of the financial statements. FHI's audited expenditures of Federal awards were \$607,163,278 of which the U.S. Agency for International Development's (USAID) audited expenditures of Federal awards were \$490,066,148 for the year ended September 30, 2019.

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 an unmodified opinion on the consolidated financial statements and stated that it presented fairly, in all material respects, FHI's consolidated financial position as of September 30, 2019. 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, significant deficiencies, and noncompliance related to financial statements. Finally, EY concluded that it did not identify any material weaknesses or significant deficiencies in internal control over major Federal programs, and there were 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.