



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: May 8, 2024

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 Pact, Inc., and Affiliates Consolidated Financial Statements and Report for the Year Ended September 30, 2020 (3-000-24-035-T)

This memorandum transmits the final audit report on the single audit of Pact, Inc., and Affiliates (Pact) Consolidated Financial Statements and Report for the Year Ended September 30, 2020. The audit report was obtained from the Federal Audit Clearinghouse. Pact contracted with the independent audit firm Grant Thornton LLP (Grant Thornton) to conduct the audit. Grant Thornton 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 Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Grant Thornton is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on Pact's schedule expenditures of federal awards; the effectiveness of its internal control; or its compliance with the awards, laws, and regulations.¹

Grant Thornton's audit objectives were to: (1) express an opinion on the financial statements; (2) obtain reasonable assurance about whether Pact's combined financial statements are free from material misstatement; and (3) express an opinion on compliance for each of Pact's major Federal programs based on its audit of the types of compliance requirements described in the U.S. Office of Management and Budget's OMB Compliance Supplement that could have a direct and material effect on their major federal program for the year ended September 30, 2020. To answer the audit objectives, Grant Thornton: (1) obtained evidence about the amounts and disclosures in the financial statements; (2) evaluated the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, 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.

evaluated the overall presentation of the financial statements; (3) considered Pact's internal control over financial reporting and performed tests of Pact's compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. Pact's audited expenditures of Federal awards was \$124,163,839, of which the U.S. Agency for International Development's (USAID) audited expenditures amounted to \$121,615,348.

Grant Thornton expressed an unmodified opinion on the financial statements and on compliance for major programs. Further, Grant Thornton reported that it did not find any deficiencies in internal control it considered to be material weaknesses and material weaknesses and significant deficiencies in internal control over financial reporting and on internal control over major programs. Finally, Grant Thornton did not identify any audit findings required to be reported in accordance with 2 CFR 200.516(a) and did not identify any questioned costs in its Federal awards audit for Pact.

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.