



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: May 29, 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 Audits Division (IG/A/EFA), David A. McNeil /s/

SUBJECT: Recipient Contracted Audit Report of GOAL Under Multiple Awards for the Year Ended December 31, 2022 (3-000-24-063-R)

This memorandum transmits the contracted audit report of GOAL under multiple awards for the year ended December 31, 2022. GOAL contracted with the independent certified public accounting firm Sayer Vincent LLP (Sayer Vincent) to conduct the audit. Sayer Vincent stated that it performed its audit in accordance with generally accepted government auditing standards (GAGAS) and the U.S. Agency for International Development's (USAID) Financial Audit Guide for Foreign Organizations. However, Sayer Vincent disclosed that it did not have a continuing education program and it did not have an external quality control review by an unaffiliated audit organization as required by GAGAS. Sayer Vincent is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on GOAL's schedule of expenditures of USAID awards, the effectiveness of its internal control, or its compliance with the award, laws, and regulations.¹

Sayer Vincent's audit objectives were to (1) express an opinion on whether the schedule of expenditures for the USAID-funded programs present fairly in all material respects in relation to GOAL's financial statements as a whole and in the revenues received, costs incurred, and assets, commodities and technical assistance directly procured with USAID funding for the period audited in conformity with the terms of the award and generally accepted accounting principles; (2) evaluate GOAL's internal control related to the USAID-funded programs, assess control risk and identify significant deficiencies including material weaknesses; (3) perform tests to determine whether GOAL complied, in all material respects, with agreement terms and

¹ We reviewed the audit firm's report for conformity with professional reporting standards. Our desk reviews are typically performed to identify items that need clarification or issues that require management attention. Desk reviews are limited to review of the audit report itself and exclude review of the auditor's supporting working papers; they are not designed to enable us to directly evaluate the quality of the audit performed.

applicable laws and regulations related to USAID funded programs; (4) perform an audit of the indirect cost rates; (5) perform a financial audit of GOAL's organization-wide general-purpose financial statements; and (6) determine if GOAL took adequate corrective actions on prior audit report recommendations. To answer the audit objectives, Sayer Vincent: (1) reviewed direct and indirect costs billed to and reimbursed by USAID and costs incurred but pending reimbursement by USAID, identified and quantified any questioned costs; (2) evaluated the compliance procedures in relation to applicable laws and regulations; (3) evaluated the effectiveness of the design of internal controls relevant to detecting material non-compliance; (4) reviewed the method of computation of provisional indirect cost rates to ensure this is within approved guidance; and (5) determined if GOAL took adequate corrective actions on prior audit report recommendations. Sayer Vincent examined costs of \$123,040,932 through December 31, 2022.

Sayer Vincent concluded that the schedule of USAID awards presents fairly, in all material respects, program revenues, costs incurred and reimbursed, and commodities and technical assistance directly procured by USAID for the year then ended in accordance with the terms of the agreements. However, Sayer Vincent identified indirect ineligible questioned costs of \$3,268,973. These questioned costs are neither a compliance nor internal controls failure and, consequently, are not reported as such in the management letter accompanying this report. Also, Sayer Vincent reported unsupported questioned cost of \$323,526 in the management letter classified as an immaterial error. Sayer Vincent noted it did not identify any significant deficiencies in internal controls that were considered material weaknesses. The results of Sayer Vincent's tests of compliance disclosed one instance of non-compliance that has been reported in the separate management letter to the audit report. Sayer Vincent reported that the schedule of computation of the indirect cost rate is fairly stated in all material respects in relation to the basic financial statements when taken as a whole. Sayer Vincent reported that the financial statements of GOAL for the year ended 31 December 2022 were audited by another auditor, Deloitte Ireland LLP. Their report dated 24 June 2023 expressed an unmodified opinion. Sayer Vincent reported no material audit findings in the previous audit report. Sayer Vincent submitted to GOAL a management letter dated September 28, 2023.

To address the issues identified in the management letter, we recommend that USAID/Management/Office of Acquisition and Assistance/Cost, Audit and Support Division, Contract Audit Management Branch:

Recommendation 1. Determine the allowability of \$323,526 in unsupported questioned costs on page 2 of the manager letter and recover any amount that is unallowable.

We ask that you provide your written notification of actions planned or taken to reach management decision.

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.