



# OFFICE OF INSPECTOR GENERAL

## U.S. Agency for International Development

### MEMORANDUM

**DATE:** August 5, 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 JSI Research and Training Institute, Inc., and Affiliates for the Year Ended September 30, 2020 (3-000-24-062-T)

This memorandum transmits the final audit report on the single audit of JSI Research and Training Institute, Inc., and Affiliates (JSI) for the Year Ended September 30, 2020. The audit report was obtained from the Federal Audit Clearinghouse. JSI contracted with the independent audit firm Grant Thornton LLP (Grant Thornton) to conduct the audit. Grant Thornton 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. Grant Thornton is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on JSI's schedule of expenditures for Federal awards; the effectiveness of its internal control; or its compliance with the awards, laws, and regulations.<sup>1</sup>

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

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<sup>1</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.

overall presentation of the financial statements; and (3) issued its report dated June 28, 2021, on its consideration of JSI's internal control over financial reporting and on Grant Thornton's tests of JSI's compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. JSI's audited expenditures of Federal awards was \$128,901,468, of which the U.S. Agency for International Development's (USAID) audited expenditures amounted to \$111,728,611.

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 (1) material weaknesses in internal control over financial reporting; (2) material weakness in internal control over major programs, and (3) significant deficiencies in internal control over major programs. In addition, Grant Thornton did not identify any audit findings required to be reported in accordance with 2 CFR 200.516(a). Grant Thornton did, however, identify one significant deficiency in internal control over financial reporting against which there were no reportable questioned costs. Although we are not making a recommendation for significant deficiency noted in the report, we suggest that USAID/Management/Office of Acquisition and Assistance/Cost, Audit, and Support Division, Contract Audit Management Branch determine whether JSI addressed the issue.

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.<sup>2</sup>

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<sup>2</sup> 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](mailto:oignotice_ndaa5274@usaid.gov).