



## MEMORANDUM

**DATE:** July 1, 2021

**TO:** USAID/Management/Office of Acquisition and Assistance/Cost, Audit and Support Division, Supervisory Auditor, Eleanor C. Jefferson

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

**SUBJECT:** Financial Audit of the Overseas Development Institute Under Multiple USAID Awards for the Year Ended March 31, 2017 (3-000-21-022-R)

This memorandum transmits the final audit report on the U.S. Agency for International Development (USAID) resources managed by the Overseas Development Institute (ODI) under multiple awards for the year ended March 31, 2017. ODI contracted with the independent certified public accounting firm haysmacintyre to conduct the audit. The audit firm stated that it performed its audit in accordance with generally accepted government auditing standards and USAID's Financial Audit Guide for Foreign Organizations. However, it did not have a continuing professional education program that fully satisfied government auditing standards and did not have an external peer review by an unaffiliated organization because such a program is not available in the United Kingdom. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on ODI's fund accountability statement; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.<sup>1</sup>

The audit objectives were mainly to (1) express an opinion on whether the fund accountability statement for the period audited, was presented fairly, in all material respects; (2) evaluate ODI's internal controls; and (3) determine whether ODI complied with award terms and applicable laws and regulations. To answer the audit objectives, the audit firm

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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.

examined evidence which supported the financial transactions recorded as expenditures in the fund accountability statement. The audit firm examined expenditures of \$860,347 for the fiscal year ended March 31, 2017.

The audit firm concluded that: (1) the fund accountability statement presented fairly, in all material respects, program revenues, costs incurred and reimbursed, and commodities and technical assistance directly procured by USAID for the period from April 1, 2016 to March 31, 2017 in accordance with the terms of the agreement and in conformity with the cash basis of accounting; (2) ODI had no material weaknesses in internal control; and (3) there were no instances of material noncompliance that are required to be reported here under U.S. Government Auditing Standards. haysmacintyre did not identify any questioned costs related to USAID awards. The audit firm issued a management letter.

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").