



OFFICE OF INSPECTOR GENERAL U.S. Agency for International Development

MEMORANDUM

DATE: March 2, 2023

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

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

SUBJECT: Financial Audit of GOAL Under Multiple USAID Agreements for the Year Ended December 31, 2019 (3-000-23-010-R)

This memorandum transmits the final audit report on the recipient contracted audit of GOAL under multiple U.S. Agency for International Development (USAID) agreements for the year ended December 31, 2019. 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, and the *USAID Financial Audit Guide for Foreign Organizations*. However, it did not have a continuing professional education program that fully satisfied generally accepted 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. Sayer Vincent is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on GOAL's fund accountability statement; 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 whether the fund accountability statement for the USAID funded programs presents fairly in all material respects in relation to the recipient'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 the recipient'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 the recipient complied, in all material respects, with

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.

agreement terms (including cost sharing or matching contributions, if applicable) and applicable laws and regulations related to USAID funded programs; (4) perform an audit of the indirect cost rate(s) if the recipient has been authorized to charge indirect costs to USAID using a provisional or 10 percent de minimis rate and USAID has not yet negotiated final rates with the recipient; (5) perform a financial audit of the recipient's organization-wide general-purpose financial statements; and (6) determine if the recipient has taken adequate corrective actions on prior audit report recommendations. To answer the audit objectives, Sayer Vincent (1) reviewed the applicable documents and information relevant to these USAID programs; (2) examined the underlying documentation which supported the financial transactions relevant to these USAID programs; (3) evaluated the compliance procedures in relation to applicable laws and regulations; (4) evaluated the effectiveness of the design of internal controls relevant to detecting material non-compliance; and (5) reviewed the method of computation of provisional indirect cost rates to ensure this is within approved guidance. The audit covered USAID audited expenditures of \$44,798,853 for the year ended December 31, 2019.

Sayer Vincent concluded: (1) The fund accountability statement presents fairly, in all material respects, program revenues, costs incurred and reimbursed, and commodities and technical assistance directly procured by USAID for the year that ended 2019 in accordance with the terms of the agreements and in conformity with the modified accrual basis of accounting. (2) It did not identify any material unsupported questioned costs. However, Sayer Vincent identified \$1,770,198 in questioned indirect costs (\$1,770,198 ineligible) because GOAL used a provisional indirect cost rate that exceeded the actual rate calculated in 2019. The indirect costs rate used for reported costs in the year to December 31, 2019, was 13.32%, which USAID approved in January 2018. The calculated rate for 2019, subject to USAID approval, is 8.83%. (3) There were no significant deficiencies or material weaknesses identified in internal control; (4) There were no instances that are required to be reported under U.S. Government Auditing Standards of noncompliance. (5) The general purpose financial statements of GOAL for the year ended December 31, 2019 expressed an unmodified opinion. Sayer Vincent issued GOAL with 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").