



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

MEMORANDUM

DATE: October 19, 2023

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 Public Health Institute Financial Statements with Supplementary Regulatory Compliance Information for December 31, 2019 (3-000-24-001-T)

This memorandum transmits the final audit report on Single Audit of Public Health Institute (PHI) Financial Statements with Supplementary Regulatory Compliance Information for December 31, 2019. The audit report was obtained from the Federal Audit Clearinghouse. Crowe LLP (Crowe) performed the Title 2 U.S. Code of Federal Regulations (CFR) Part 200 audit. Crowe 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 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Crowe is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on PHI's fund accountability statement; the effectiveness of its internal control; or its compliance with the awards, laws, and regulations.¹

Crowe's audit objectives were to form an opinion on the financial statements as a whole and obtain reasonable assurance about whether the financial statements are free from material misstatement. Further, in accordance with Government Auditing Standards, Crowe reported on PHI's internal control over financial reporting and its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. To answer the audit objectives, Crowe: (1) obtained evidence about the amounts and disclosures in the combined financial statements; (2) evaluated the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by PHI, and evaluated the overall presentation of the financial statements; (3) considered PHI's internal control over financial

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.

reporting; and (4) obtained reasonable assurance about whether noncompliance with the types of compliance requirements could have a direct and material effect on a major Federal program occurred. PHI's audited expenditures of Federal awards were \$88,206,752, of which the U.S. Agency for International Development's (USAID) audited expenditures amounted to \$22,407,422 for the year ended December 31, 2019.

Crowe stated that PHI's financial statements presented fairly, in all material respects, PHI's financial position as of December 31, 2019, and the changes in its net assets and its cash flows in accordance with U.S. accounting principles. Further, Crowe stated that it did not identify any material weaknesses and significant deficiencies in internal control over financial reporting. Further, Crowe expressed an unmodified opinion on compliance for major programs and stated that PHI complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on each of its major Federal programs for the year ended December 31, 2019. Finally, Crowe stated that it did not identify any audit findings required to be reported in accordance with 2 CFR 200.516(a).

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.