



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: February 5, 2024

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

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

SUBJECT: Financial Audit of ODI Under Multiple USAID Agreements for the Fiscal Year Ended March 31, 2021 (3-000-24-029-R)

This memorandum transmits the final audit report on the recipient contracted audit of ODI for the fiscal year ended March 31, 2021. ODI contracted with the independent certified public accounting firm Haysmacintyre LLP to conduct the audit. The audit firm stated that it performed its audit in accordance with generally accepted government auditing standards, and the U.S. Agency for International Development's (USAID) Financial Audit Guide for Foreign Organizations. 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.¹

The audit objectives were 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; (3) determine whether ODI complied with award terms and applicable laws and regulations, (4) evaluate whether ODI met its cost-sharing or matching contributions; (5) perform a financial audit of ODI's organization-wide general purpose financial statements, expressing an audit opinion if ODI has a NICRA including a provisional rate; (6) perform an audit of the indirect costs rate if ODI has been authorized to charge indirect costs to USAID using provisional rates; (7) verify that the correct rate was applied in accordance with the agreement when indirect costs are charged to USAID; and (8) determine if the recipient has taken adequate corrective actions on prior audit report recommendations. To answer the audit objectives, the audit firm (a) performed audit procedures to evaluate the effectiveness of the design and operation of the internal controls that they considered relevant to preventing or detecting material noncompliance with the compliance requirements applicable to ODI's USAID awards; and (b) examined the underlying documentation which supported the 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.

transactions recorded as expenditures against the USAID awards. Haysmacintyre audited \$1,449,585 of expenditure for the year ended March 31, 2021.

The audit firm concluded the fund accountability statement presented fairly, in all material respects, costs incurred and reimbursed by USAID for the year ended March 31, 2021, in accordance with the terms of the agreements and in conformance with the basis of accounting, except for \$487 in total unsupported questioned costs. The audit firm did not identify any material weaknesses or significant deficiencies in internal control. In addition, Haysmacintyre did not disclose any instances of noncompliance that are required to be reported under U.S. Government Auditing Standards. Since the questioned costs did not meet the OIG's established threshold of \$25,000 for making a recommendation, we are not making a recommendation. Nevertheless, we suggest that USAID/Management/Office of Acquisition and Assistance/Cost, Audit and Support Division, Contract Audit Management Branch determine the allowability of the \$487 in questioned costs and recover any amount determined to be unallowable.

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.