



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: September 10, 2024

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

FROM: David A. McNeil /s/
Director
External Financial Audits Division

SUBJECT: Single Audit of PATH for the Year Ended December 31, 2021 (3-000-24-072-T)

This memorandum transmits the final audit report on the single audit of PATH for the Year Ended December 31, 2021. PATH contracted with Clark Nuber P.S. (Clark Nuber) to conduct the audit. The audit report was obtained from the Federal Audit Clearinghouse. Clark Nuber 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 Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Clark Nuber is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on PATH's schedule of expenditures of Federal awards; the effectiveness of its internal control; or its compliance with the awards, laws, and regulations.¹

The audit objectives were to: (1) obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; (2) express an opinion on the financial statements; and (3) audit PATH's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of PATH's major federal programs for the year ended December 31, 2021. To answer the audit objectives, Clark Nuber: (1) identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, and designed and performed audit procedures responsive to those risks including examining, on a test basis, evidence regarding the amounts and disclosures in 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.

statements; (2) performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements; and (3) obtained an understanding of PATH's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance. PATH's audited expenditures of federal awards were \$ 77,673,992, of which the U.S. Agency for International Development's (USAID) audited expenditures of Federal Awards were \$69,351,823 for the fiscal year ended December 31, 2021.

Clark Nuber expressed an unmodified opinion and stated that the financial statements present fairly, in all material respects the financial position of the Organization as of December 31, 2021, and 2020 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Further, Clark Nuber reported that it did not find any deficiencies in internal control that were considered material weaknesses. The results of Clark Nuber tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards. In Clark Nuber's opinion, PATH complied, in all material respects, with the compliance requirements that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021. Finally, Clark Nuber did not identify any audit findings required to be reported in accordance with 2 CFR 200.516(a) and did not identify any questioned costs in its Federal awards audit for PATH.

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.