



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

### MEMORANDUM

**DATE:** September 11, 2024

**TO:** Sheree 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 ACDI/VOCA and Affiliates for the Year Ended December 31, 2021 (3-000-24-073-T)

This memorandum transmits the final audit report on the single audit of ACDI/VOCA and Affiliates (ACDI/VOCA) for the Year Ended December 31, 2021. The audit report was obtained from the Federal Audit Clearinghouse. ACDI/VOCA contracted with the independent audit firm RSM US LLP (RSM) to conduct the audit. RSM stated it performed its audit in accordance with U.S. Government accounting standards issued by the Comptroller General of the United States and Title 2 Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. RSM is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on ACDI/VOCA's schedule of expenditures of Federal awards; the effectiveness of its internal control; or its compliance with the awards, laws, and regulations.<sup>1</sup>

RSM's 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, and to issue an auditor's report that includes the auditors' opinion; (2) express an opinion on the consolidated financial statements considering ACDI/VOCA's internal control over financial reporting as a basis for designing the audit procedures; (3) obtain reasonable assurance about whether material noncompliance with the compliance requirements occurred, whether due to fraud or error, and express an opinion on ACDI/VOCA's compliance based on the audit; and

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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.

(4) express an opinion on compliance with the types of compliance requirements described in the Office of Management and Budget Compliance Supplement that could have a direct and material effect on each of ACDI/VOCA's major federal programs for the year ended December 31, 2021. To answer the audit objectives, RSM: (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 which included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements; (2) obtained an understanding of ACDI/VOCA'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; and (3) performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, which noncompliance with could have a direct and material effect on the consolidated financial statements. ACDI/VOCA's audited expenditures of Federal awards was \$101,080,819, of which the U.S. Agency for International Development's (USAID) audited expenditures amounted to \$94,150,926.

RSM expressed an unmodified opinion on the financial statements and stated that the accompanying financial statements present fairly, in all material respects, the financial position of ACDI/VOCA as of December 31, 2021, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Further, RSM reported that it did not identify any deficiencies in internal control that we consider to be material weaknesses or instances of noncompliance or other matters that are required to be reported under Government Auditing Standards. In addition, in RSM's opinion, ACDI/VOCA complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on its major federal program for the year ended December 31, 2021. RSM did not identify any questioned costs relating to Federal awards as defined in the Uniform Guidance. RSM determined that the two prior year findings were cleared. RSM 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"). 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.<sup>2</sup>

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<sup>2</sup> 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](mailto:oignotice_ndaa5274@usaid.gov).