



# Non-Federal Audit Snapshot







## USAID OIG Asia Regional Office

Covering January – June 2024  
Report No. 5-000-24-002-A

USAID’s **non-Federal audit (NFA)** program helps ensure that contracts, cooperative agreements, and other foreign assistance awards meet Federal requirements. NFAs (financial audits typically performed by independent public accounting firms) help safeguard taxpayer dollars. USAID OIG reviews the NFA reports for compliance with government auditing reporting standards and transmits the reports and recommendations to USAID. Learn more in the [NFA Primer](#).

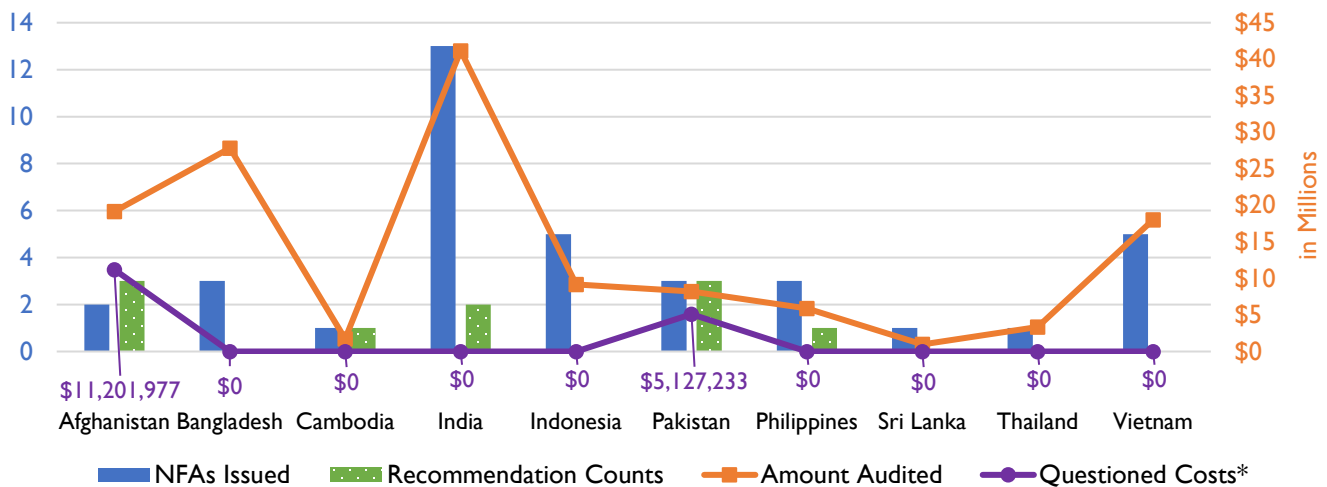
This **NFA Snapshot** highlights program data, audit findings, and recommendations in NFA reports transmitted by USAID OIG’s Asia Regional Office from January 1 – June 30, 2024.

### By the Numbers: NFA Reports, Findings, and Recommendations

	NFAs Issued	<b>37</b>		Questioned Costs	<b>\$16,329,210</b>
	Amount Audited	<b>\$135,497,301</b>		Recommendations Issued	<b>10</b>
	Findings: Material Weaknesses in Internal Control	<b>4</b>		Findings: Compliance	<b>14</b>

- Almost half (48 percent) of audited expenditures were allocated to USAID programs in Bangladesh, Afghanistan, and Vietnam, with another 30 percent dedicated to programs in India. The remaining 22 percent were distributed across USAID programs in 6 other countries within the Asia region.
- A significant portion (40 percent) of NFAs pertained to health, tuberculosis, HIV/AIDS, and child survival programs. The remaining 60 percent were spread across education (13 percent); diversity, equity, and inclusion (7 percent), economic development (7 percent), government-to-government (7 percent), democracy and governance (5 percent), water and sanitation (5 percent), and other program areas (16 percent).
- USAID Bangladesh sustained \$170,000 in questioned costs due to accounting errors, unreasonable charges, lack of USAID approval, and unsupported expenditures. USAID Pakistan sustained around \$120,000 in questioned costs related to lack of evidence to support costs.

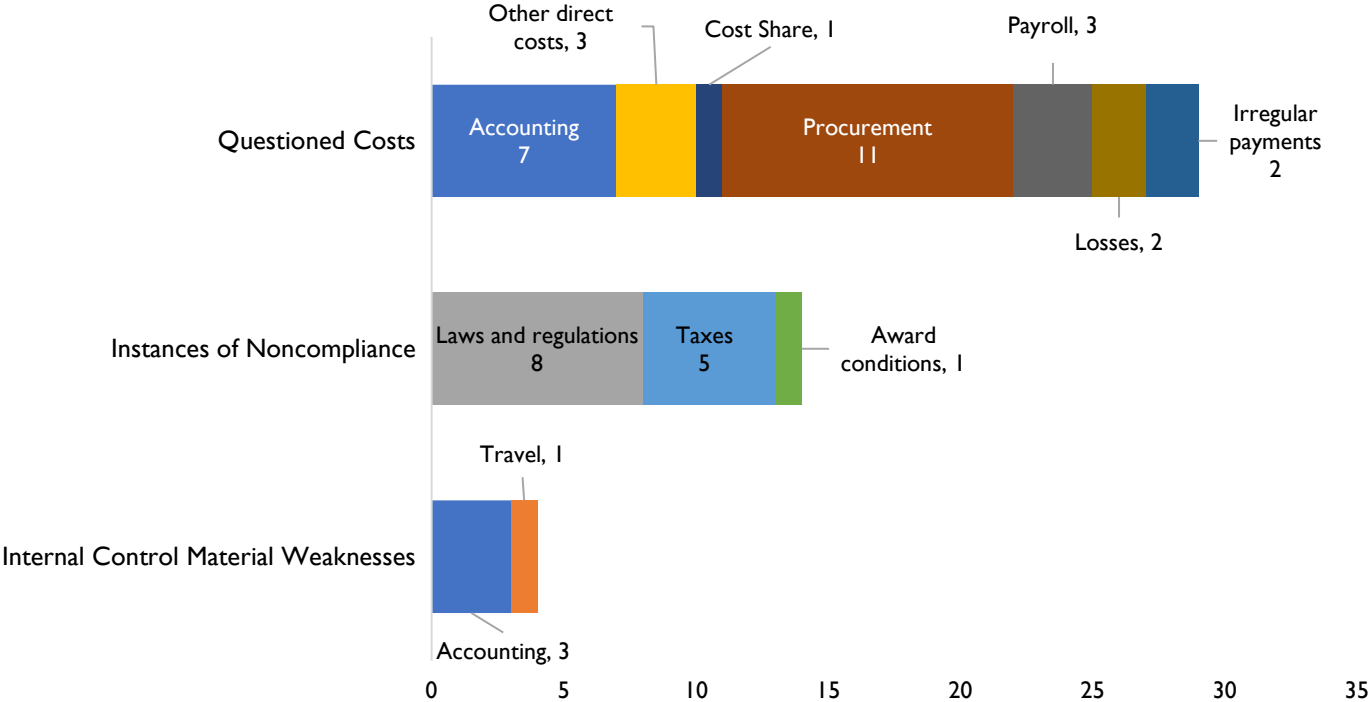
### NFA Activity by Cognizant Mission



\*Note: Questioned Costs amounts are as shown.

**Drill Down: NFA Findings Detail**

NFA report findings and recommendations address breakdowns in internal control and noncompliance with laws, regulations, and award terms. Accounting errors; violation of agreement terms, laws, and regulations; and irregular procurement procedures are examples of findings included in NFA reports issued by the Asia Regional Office during this period.



**By the Numbers: OIG Desk Reviews**

	NFAs Reviewed	<b>37</b>		Independent Public Accounting Firms that Performed NFAs	<b>25</b>
	NFA Reports Rejected and Returned to USAID	<b>0</b>		Supplementary “Memos of Review Comment” Issued	<b>24</b>

- USAID OIG reviews NFA reports for key attributes including adherence to professional standards, completeness, and compliance with required formats. OIG rejects noncompliant reports and returns them to USAID for consideration prior to acceptance.
- Supplementary Memos of Review Comment (MRCs) usually describe nonmaterial errors for the auditors to correct in future NFA reports.
- In June 2024, USAID OIG Asia regional office issued two quality control review (QCR) reports of two audit firms in Vietnam. QCRs provide an in-depth examination of non-Federal auditor’s documentation. Our reviews found that the firms generally met the requirements for generally accepted government auditing standards but identified a total of eight areas for improvement, including fraud detection procedures, audit independence procedures, continuing professional education, and audit documentation.

USAID OIG’s Asia Regional Office provides independent audit oversight of USAID programs across 34 countries from its offices in Thailand, Pakistan, and Philippines. We conducted this work under the Council of the Inspectors General for Integrity and Efficiency’s *Quality Standards for Federal Offices of Inspector General*.