



# OFFICE OF INSPECTOR GENERAL

## U.S. Agency for International Development

### MEMORANDUM

**DATE:** January 22, 2025

**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:** Financial Audit of USAID Resources Managed by Nonviolent Peaceforce Under Award number 720BHA22GR00119, January 1 to December 31, 2023 (3-000-25-010-R)

This memorandum transmits the final audit report on the U.S. Agency for International Development (USAID) resources managed by Nonviolent Peaceforce (NP) under project "Mitigating Violence, Increasing the Safety and Security of Civilians and Strengthening the Resilience of Populations Affected by Conflict and Environmental Shocks in Unity, Jonglei, Warrap and Central Equatoria States of South Sudan", award number 720BHA22GR00119 for the period from January 1, 2023, through December 31, 2023. NP contracted with the independent certified public accounting firm Grant Thornton (GT) to conduct the audit. GT stated that it performed its audit in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board (IAASB), in conjunction with US Generally Accepted Government Auditing Standards (GAGAS). However, it did not have a continuing education program that fully complies with GAGAS requirements and an external peer review because such program is not offered in Uganda. GT is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on NP's fund accountability statement; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.<sup>1</sup>

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<sup>1</sup> We reviewed the audit 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 audit firm's supporting working papers; they are not designed to enable us to directly evaluate the quality of the audit performed.

The audit objectives were to (1) express an opinion on whether the schedule of expenditures of USAID awards presents fairly in all material respects in relation to NP's financial statements as a whole, in accordance with the terms of the agreements and generally accepted accounting principles; (2) evaluate and obtain a sufficient understanding of the NP's internal controls related to the USAID-funded programs, assess control risk, and identify reportable conditions, including material weaknesses; (3) perform tests to determine whether the recipient complied, in all material respects, with agreement terms and applicable laws and regulations related to USAID-funded programs; and (4) determine whether NP has taken adequate action on prior audit report recommendations. To answer the audit objectives, GT (1) reviewed direct and indirect costs billed to and reimbursed by USAID and costs incurred but pending reimbursement by USAID, identifying and quantifying any questioned costs; (2) evaluated the control environment, the adequacy of the accounting systems, and control procedures with emphasis on the policies and procedures that pertain to NP's ability to record, process, summarize, and report financial data consistent with the assertions embodied in each account of the schedule of expenditures of USAID awards; (3) determined whether commodities, whether directly procured by the recipient or directly procured by USAID for the recipient's use, exist or were used for their intended purposes in accordance with the agreement; and (4) reviewed the status of actions taken on audit findings reported in prior audits of USAID-funded programs. GT reported total USAID audited expenditures of \$ 3,729,819 for the fiscal year ended December 31, 2023.

GT concluded that the schedule of expenditures of USAID awards presents fairly, in all material respects, program revenues, costs incurred and reimbursed, and commodities and technical assistance directly procured by USAID for the year then ended in accordance with the terms of the agreements. GT reported no questioned costs. GT did not identify any deficiencies in internal control that were considered material weaknesses. GT's results of its tests disclosed no instances of noncompliance that are required to be reported here under U.S. Government Auditing Standards. However, GT noted certain matters involving internal control and its operation and compliance that were reported to the management of NP. GT reported that one of the four prior report recommendations was closed.

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).