



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: February 6, 2025

TO: Sheree F. Marshall
Supervisory Auditor
USAID/Bureau for 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 Education Development Center, Inc., for the Year Ended September 30, 2023 (3-000-25-020-T)

This memorandum transmits the final audit report on the single audit of Education Development Center, Inc., (EDC) for the year ended September 30, 2023. The audit report was obtained from the Federal Audit Clearinghouse. EDC contracted with the independent audit firm Grant Thornton LLP (Grant Thornton) to conduct the audit. Grant Thornton stated that it performed its audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Grant Thornton is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on EDC's schedule of expenditures of Federal awards; the effectiveness of its internal control; or its compliance with the awards, laws, and regulations.¹

Grant Thornton's audit objectives were to: (1) obtain reasonable assurance about whether EDC's 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 Grant Thornton's opinion; and (2) obtain reasonable assurance about whether material noncompliance with the compliance requirements identified in the U.S. Office of Management and Budget's OMB Compliance Supplement that could have a direct and material effect on EDC's major federal program for the year ended September 30, 2023, whether due to fraud or error, and express an opinion on

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.

EDC's compliance based on Grant Thornton's audit. To answer the audit objectives, Grant Thornton: (1) exercised professional judgment and maintained professional skepticism throughout the audit; (2) identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks; (3) obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of EDC' internal control; (4) evaluated the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements; (5) concluded whether there are conditions or events, considered in the aggregate, that raise substantial doubt about EDC's ability to continue as a going concern for a reasonable period of time; (6) identified and assessed the risks of material noncompliance, whether due to fraud or error, and designed and performed audit procedures responsive to those risks; and (7) obtained an understanding of 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. EDC's audited expenditures of Federal awards was \$167,178,865 of which the U.S. Agency for International Development's (USAID) audited expenditures amounted to \$94,428,182.

Grant Thornton expressed an unmodified opinion on the financial statements and on compliance for major programs. Further, Grant Thornton reported that it did not find any deficiencies in internal control it considered to be material weaknesses or significant deficiencies in internal control over financial reporting and on internal control over major programs. Additionally, Grant Thornton did not identify any audit findings required to be reported in accordance with 2 CFR 200.516(a). Finally, Grant Thornton did not identify any questioned costs in its Federal awards audit for EDC.

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.