



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: February 21, 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: Single Audit of Family Health International for the Years Ended September 30,
2021 (3-000-25-022-T)

This memorandum transmits the final audit report on the single audit of Family Health International (FHI) for the year ended September 30, 2021. The audit report was obtained from the Federal Audit Clearinghouse. FHI contracted with the independent audit firm Ernst & Young LLP (E&Y) to conduct the audit. E&Y stated that it performed its audit in accordance with U.S. Government auditing 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. E&Y is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on FHI's schedule of Federal awards expenditures; the effectiveness of its internal control; or its compliance with the awards, laws, and regulations.¹

E&Y's audit objectives were to: (1) express an opinion on the consolidated financial statements; (2) obtain reasonable assurance about whether FHI's consolidated financial statements are free from material misstatement; and (3) express an opinion on compliance for each of FHI's major federal programs based on its audit 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 FHI's major federal program for the year ended September 30, 2021. To answer the audit objectives, E&Y: (1) obtained evidence about the amounts and disclosures in the

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.

consolidated financial statements; (2) evaluated the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, and evaluated the overall presentation of the consolidated financial statements; and (3) considered FHI's internal control over financial reporting and performed tests of FHI's compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. FHI's audited expenditures of Federal awards was \$656,590,004, of which the U.S. Agency for International Development's (USAID) audited expenditures amounted to \$498,902,290.

E&Y expressed an unmodified opinion on the financial statements and on compliance for major programs. Further, E&Y reported that it did not find any deficiencies in internal control it considered to be material weaknesses and significant deficiencies in internal control over financial reporting and on internal control over major programs. E&Y 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 FHI.

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 oinotice_ndaa5274@usaid.gov.