



# OFFICE OF INSPECTOR GENERAL

## U.S. Agency for International Development

### MEMORANDUM

**DATE:** March 13, 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 Funds Spent on Grant Agreement Number  
720BHA21GR00400 by Polska Akcja Humanitarna in the Year Ended December  
31, 2022 (3-000-25-020-R)

This memorandum transmits the final financial audit report on the U.S. Agency for International Development (USAID) funds spent on grant agreement number 720BHA21GR00400 by Polska Akcja Humanitarna (PAH) in the year ended December 31, 2022. PAH contracted with Bakertilly TPA (BakerTilly) to conduct the audit. BakerTilly stated that it performed the audit in accordance with the following: (1) USAID Financial Audit Guide for Foreign Organizations; (2) U.S. Generally Accepted Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States Government Accountability Office; (3) International Standards on Auditing (ISA) issued by the International Auditing and Assurance Standards Board (IAASB); and (4) The International Standards of Supreme Audit Institutions (ISSAIs) issued by the International Organization of Supreme Audit Institutions (INTOSAI) for public-sector audits. BakerTilly is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on PAH's schedule of expenditures of Federal awards (SEFA), the effectiveness of its internal control, or its compliance with the awards, laws, and regulations.<sup>1</sup>

The audit objectives were to (1) express an opinion on whether the SEFA presents fairly in all material respects in relation to PAH's financial statements as a whole and in revenues received, costs incurred, and assets, commodities, and technical assistance directly procured with USAID

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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.

funding for the period audited and in conformity with the terms of the award and generally accepted accounting principles; (2) evaluate PAH's internal controls, assess control risk, and identify significant deficiencies including material weaknesses; and (3) perform tests to determine whether PAH complied, in all material respects, with agreement terms and applicable laws and regulations. To answer the audit objectives, BakerTilly (a) examined the schedule of expenditures of USAID awards for USAID programs including the budgeted amounts by category and major items: (i) the revenues received from USAID for the period covered by the audit; (ii) the costs reported by the recipient as incurred during that period; and (iii) verified the adopted USAID reporting exchange rate, in line with the agreements; (b) identified any questionable items or invalid transactions; and (c) identified any instances of material non-compliance with grant agreement terms and applicable laws that are required to be reported under US Government Auditing Standards. BakerTilly examined total USAID expenditures of \$1,857,552 for the period audited.

BakerTilly concluded that the SEFA presents fairly, in all materials respects, program revenues costs incurred and reimbursed, commodities and technical assistance. Further, BakerTilly reported it did not identify any deficiencies in internal control it considered to be material weaknesses. Additionally, BakerTilly stated its tests disclosed no instances of noncompliance required to be reported under U.S. Government Auditing Standards. Moreover, BakerTilly did not determine whether PAH took adequate corrective action on prior audit report because there were no such findings in the audit year ended December 31, 2021; and Baker Tilly did not perform a review of cost-sharing/matching, general purpose financial statement, and indirect cost rate requirement because PAH was authorized to charge the de minimis rate of 10 percent for indirect costs. Finally, BakerTilly issued a management letter to PAH.

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).