



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: March 7, 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 International Foundation for Electoral Systems' Financial Statements for September 30, 2023 (3-000-25-027-T)

This memorandum transmits the final audit report on the Single Audit of the International Foundation for Electoral Systems' (IFES) Financial Statements for September 30, 2023. The audit report was obtained from the Federal Audit Clearinghouse. RSM US LLP (RSM) performed the audit in accordance with auditing standards generally accepted in the United States of America; 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 (Uniform Guidance). RSM is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on IFES's schedule of expenditures of Federal awards; the effectiveness of its internal control; or its compliance with the awards, laws, and regulations.¹

RSM's audit objectives were to (1) express an opinion on the financial statements, (2) obtain reasonable assurance about whether IFES's financial statements are free from material misstatement, and (3) express an opinion on compliance for each major federal program. To answer the audit objectives, RSM: (1) identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, and designed and performed audit

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.

procedures responsive to those risks; (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 financial statements; and (3) obtained an understanding of IFES's internal control over compliance relevant to the audit 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. IFES's audited expenditures of Federal awards were \$59,335,386 of which the U.S. Agency for International Development's (USAID) audited expenditures amounted to \$52,508,813.

RSM stated that the financial statements referred to above present fairly, in all material respects, the financial position of IFES as of September 30, 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Further, RSM reported that it did not identify any deficiencies in internal control that were considered material weaknesses. Also, RSM disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards. In addition, in RSM's opinion, IFES complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on its major federal program for the year ended September 30, 2023. RSM did not identify any questioned costs relating to Federal awards.

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.