



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: March 10, 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 Pathfinder International and Subsidiaries for the Year Ended June 30, 2023 (3-000-25-028-T)

This memorandum transmits the final audit report on the single audit of Pathfinder International and Subsidiaries (Pathfinder) for the year ended June 30, 2023. The audit report was obtained from the Federal Audit Clearinghouse. Pathfinder contracted with the independent accounting firm RSM US LLP (RSM) to conduct the audit. RSM stated that it performed its audit in with auditing standards generally accepted in the U.S.; 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. RSM is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on Pathfinder'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) obtain reasonable assurance about whether Pathfinder's combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report including RSM's opinion; (2) consider Pathfinder's internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the consolidated financial statements; and (3) express an opinion on compliance for each major federal program and report on internal control over compliance with the types of compliance requirements

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.

described in the Office of Management and Budget Compliance Supplement that could have a direct and material effect on each of Pathfinder's major federal programs for the year ended June 30, 2023. 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 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) issued a report dated December 20, 2023, on RSM's consideration of Pathfinder's internal control over financial reporting and on RSM's tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. RSM audited Pathfinder's expenditures of \$69,678,991 for the U.S. Agency for International Development.

RSM expressed an unmodified opinion on the financial statements and on compliance for major programs. RSM reported that it did not find any material weaknesses or significant deficiencies in internal control over financial reporting nor in internal control over major federal programs. RSM 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 Pathfinder.

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.