



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: March 18, 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 Population Services International for the Years Ended December 31, 2021 (3-000-25-031-T)

This memorandum transmits the final audit report on the single audit of Population Services International (PSI) for the Years Ended December 31, 2021. The audit report was obtained from the Federal Audit Clearinghouse. PSI contracted with the independent audit firm BDO USA, LLP (BDO) to conduct the audit. BDO stated it performed its audit in accordance with U.S. Government auditing standards issued by the Comptroller General of the United States and Title 2 Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. BDO is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on PSI's schedule of expenditure of Federal awards; the effectiveness of its internal control; or its compliance with the awards, laws, and regulations.¹

BDO's audit objectives were to: (1) obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report including their opinion; (2) consider PSI's internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements; and (3) obtain reasonable assurance about whether material noncompliance, whether due to fraud or error, with the compliance requirements described in the Office of

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.

Management and Budget Compliance Supplement that could have a direct and material effect on each of PSI's major federal programs for the year ended December 31, 2021, occurred. To answer the audit objectives, BDO: (1) identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; (2) obtained an understanding of internal control relevant to the audit; and (3) 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 consolidated financial statements. PSI's audited expenditures of federal awards was \$179,943,771, of which the U.S. Agency for International Development's (USAID) audited expenditures amounted to \$154,759,919.

BDO expressed an unmodified opinion on the financial statements and on compliance for major Federal programs. Further, BDO reported that it did not find any material weaknesses or significant deficiencies in internal control over financial reporting and did not find any material weaknesses in internal control over major programs. However, BDO identified six significant deficiencies in internal control over major programs, which were required to be reported in accordance with 2 CFR 200.516(a). The questioned costs associated with the six significant deficiencies amounted to \$12,741. Because the questioned costs did not meet the OIG's established threshold of \$25,000 for making a recommendation, we did not make a recommendation. Further, we did not make a recommendation for the six significant deficiencies noted in the report. We suggest, however, that USAID/Management/Office of Acquisition and Assistance/Cost, Audit, and Support Division, Contract Audit Management Branch (1) determine the allowability of the \$12,741, in questioned costs and recover any amount determined to be unallowable; and (2) determine whether PSI addressed the six significant deficiencies BDO reported.

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.