



Non-Federal Audit Snapshot







USAID OIG Asia Regional Office

Covering July – December 2024
Report No. 5-000-25-001-A

USAID’s **non-Federal audit (NFA)** program helps ensure that contracts, cooperative agreements, and other foreign assistance awards meet Federal requirements. NFAs (financial audits typically performed by independent public accounting firms) help safeguard taxpayer dollars. USAID OIG reviews the NFA reports for compliance with government auditing reporting standards and transmits the reports and recommendations to USAID. Learn more in the [NFA Primer](#).

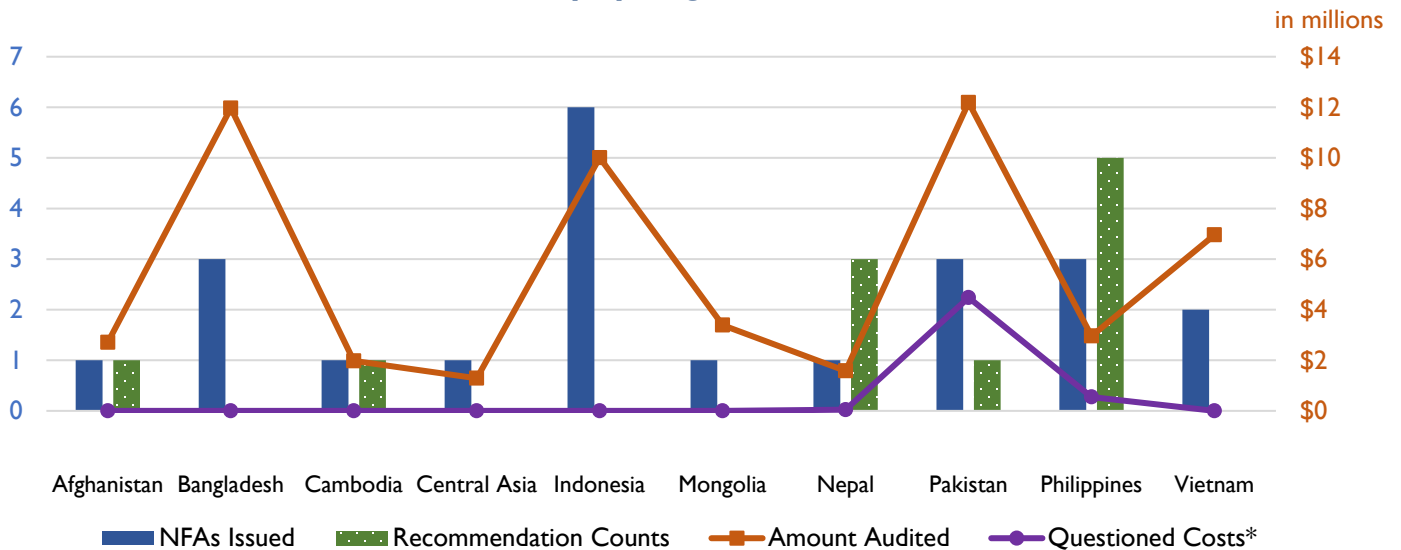
This **NFA Snapshot** highlights program data, audit findings, and recommendations in NFA reports transmitted by USAID OIG’s Asia Regional Office from July 1 to December 31, 2024.

By the Numbers: NFA Reports, Findings, and Recommendations

	NFAs Issued	22		Questioned Costs	\$5,070,820
	Amount Audited	\$55,018,208		Recommendations Issued	11
	Findings: Material Weaknesses in Internal Control	9		Findings: Compliance	24

- A significant portion of NFAs (35 percent) pertained to health including tuberculosis and HIV/AIDS programs. The remaining 65 percent were spread across democracy and governance (10 percent); economic growth and trade (10 percent), government to government (10 percent), education (7 percent), environment (7 percent), power/infrastructure (7 percent), and other program areas (14 percent).
- USAID allocated about 44 percent of audit expenditures to programs in Bangladesh and Pakistan, about 22 percent each. Indonesia followed with 18 percent, while Vietnam accounted for 13 percent. Six other USAID missions accounted for the remaining 25 percent.

NFA Activity by Cognizant Mission

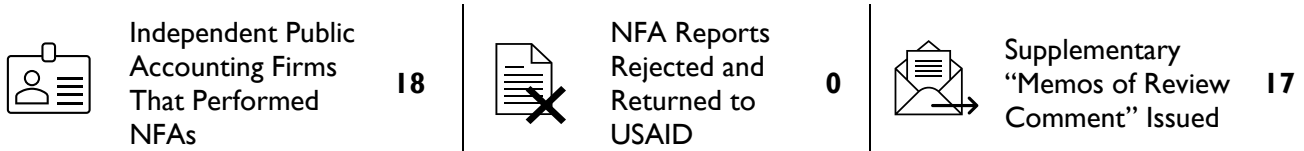


Source: OIG-generated chart.

* Questioned Costs only in Nepal, Pakistan, and Philippines.

USAID OIG reviews NFA reports for key attributes including adherence to professional standards, completeness, and compliance with required formats. Noncompliant reports are returned to USAID. Supplementary Memos of Review Comments (MRCs) describe nonmaterial errors for the auditors to correct in future NFA reports.

By the Numbers: OIG Desk Reviews



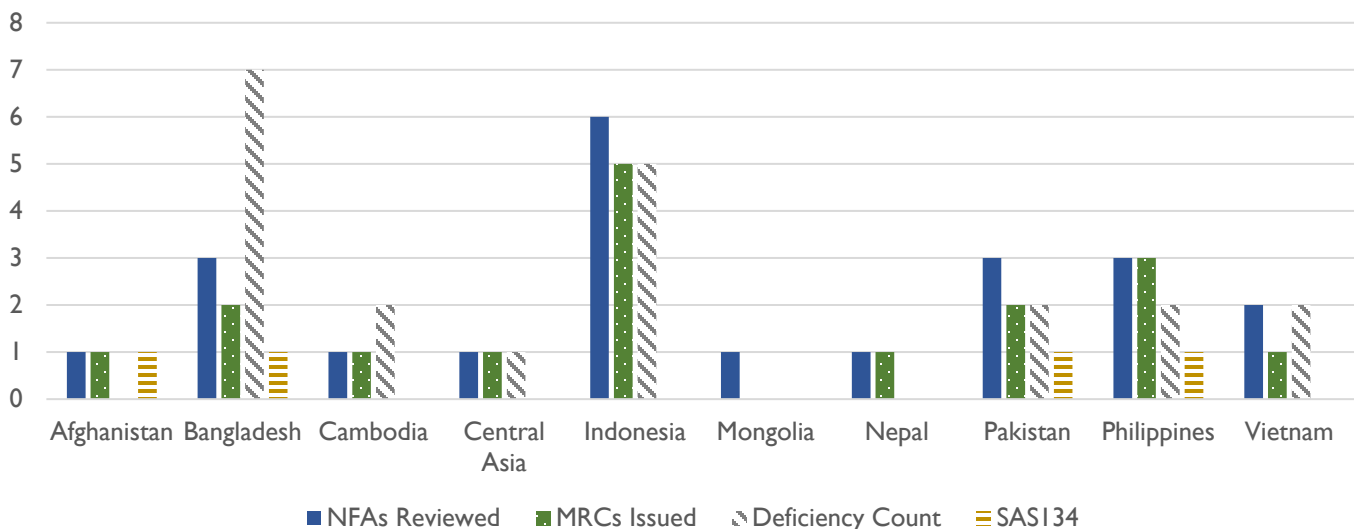
Special Matter

In 2019, the Accounting Standards Board implemented updates to Statement on Auditing Standards (SAS) 134, "Auditor Reporting and Amendments," thereby revising the reporting requirements for audits conducted by NFA. Through the concerted efforts of OIG and USAID to ensure compliance with these new standards, a substantial proportion of NFA reports issued between July and December 2024 demonstrated adherence to SAS 134. Notably, 18 out of 22 reports issued during this period were found to be compliant.

USAID OIG typically rejects NFA reports that don't comply with SAS 134; however, we raised the issue with individual USAID Controllers instead in memo of review comments. The Agency's Chief Financial Officer requested the OIG pause rejecting reports for this issue and asked for additional time to update the Agency's NFA guidance and provide training to audit firms. We agreed and have continued to monitor the issue.

The Asia Regional Office briefed USAID/Laos staff and its implementing partners and visited two implementer partner offices, from November 5–8, 2024. During the meetings, we provided an OIG orientation that discussed the OIG's roles and responsibilities, issues found in OIG and NFA reports and how to detect fraud, waste, and abuse.

NFA Quality Comparison by Cognizant Mission



Source: OIG-generated chart.

USAID OIG's Asia Regional Office provides independent audit oversight of USAID programs across 34 countries from its offices in Thailand, Pakistan, and Philippines. We conducted this work under the Council of the Inspectors General for Integrity and Efficiency's Quality Standards for Federal Offices of Inspector General.