



Non-Federal Audit Snapshot







USAID OIG LAC Regional Office

Covering July – December 2024
Report No. I-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 NFA reports for compliance with government auditing reporting standards and transmits the reports and recommendations to USAID. Learn more in the [NFA Primer](#).

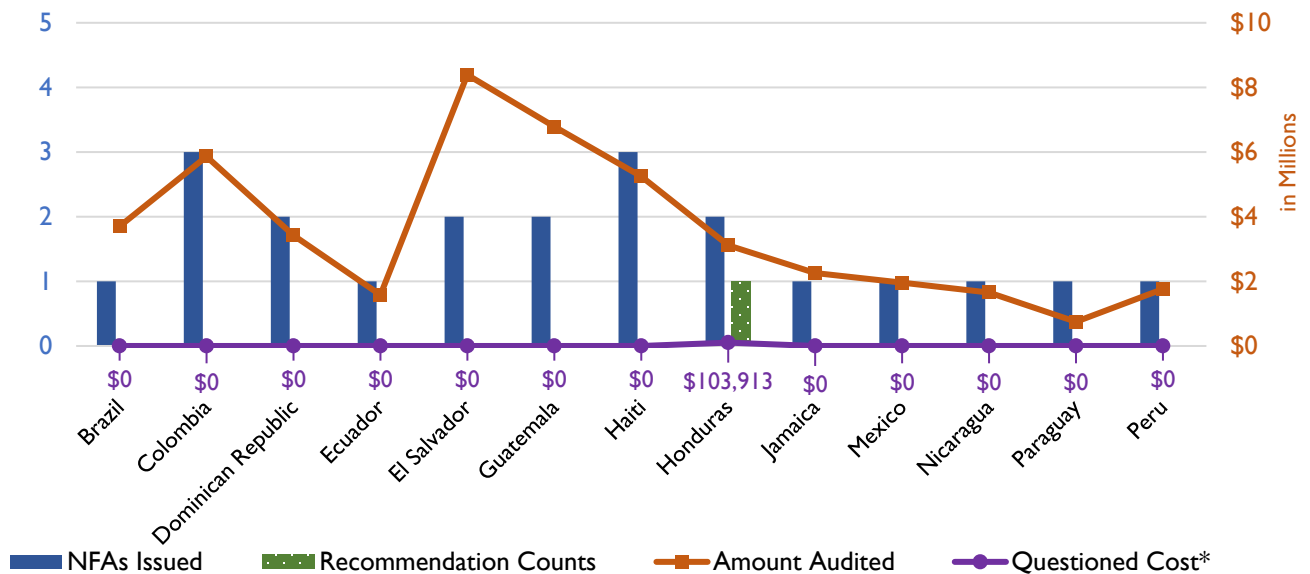
This **NFA Snapshot** highlights program data, audit findings, and recommendations in NFA reports transmitted by USAID OIG’s Latin America and Caribbean (LAC) Regional Office from July 1 to December 31, 2024.

By the Numbers: NFA Reports, Findings, and Recommendations

	NFAs Issued	21		Questioned Costs	\$103,913
	Amount Audited	\$46,478,461		Recommendations Issued	1
	Findings: Material Weaknesses in Internal Control	0		Findings: Compliance	0

- The most common programmatic areas covered by NFA reports reviewed during the period were health (29 percent), democracy and governance (19 percent), and economic growth and trade (10 percent). Additional programs covered were related to agriculture, education, local governance and community development, and other areas.
- Total audited expenditures of 57 percent pertained to USAID programs in El Salvador, Guatemala, Colombia, and Haiti. The other expenditures concerned nine other USAID country missions.

NFA Activity by Cognizant Mission

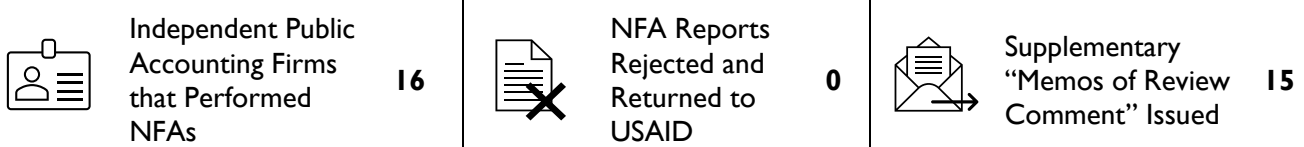


Source: OIG-generated chart.

* Questioned Costs amounts are as shown in thousands.

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

By the Numbers: OIG Desk Reviews

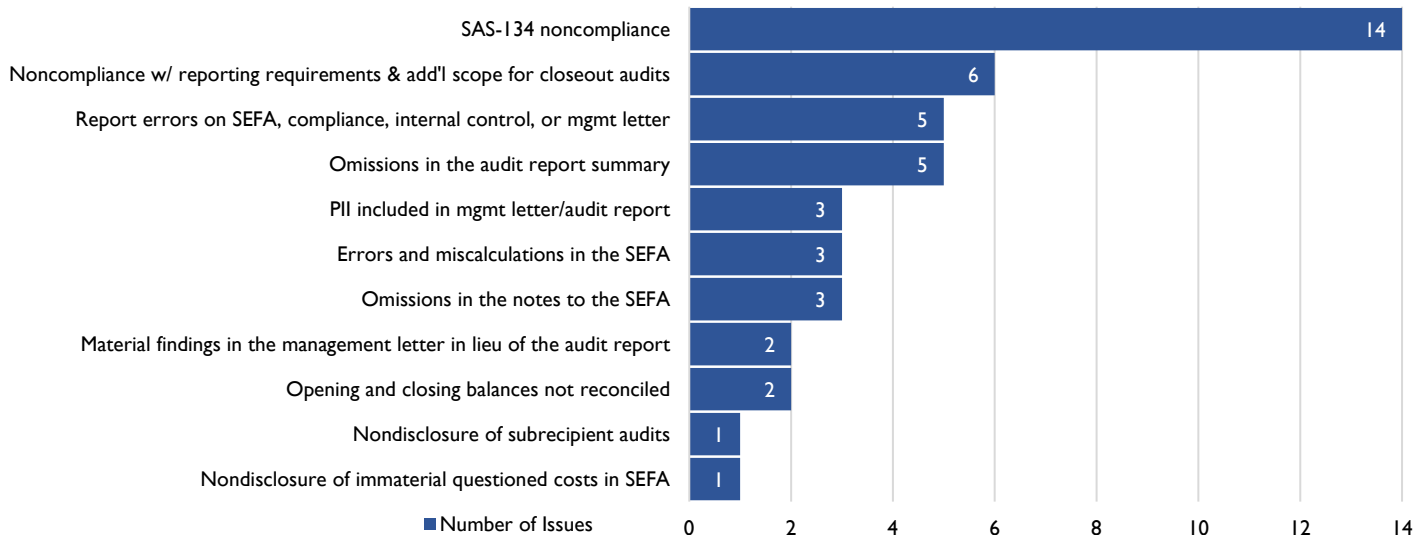


Additional Detail In Memos of Review Comments

The errors that USAID OIG includes in MRCs vary in terms of magnitude and frequency. The following examples illustrate how errors may impact the quality of NFAs reviewed from July 1 to December 31, 2024.

- *Errors and miscalculations in the Schedule of Expenditures of Federal Awards (SEFA), including unreconciled opening and closing balances.* The SEFA should be fully accurate to be useful for the audit and enable the auditors to determine if finances are fairly presented and draw a sample of transactions for testing.
- *Material findings included in the management letter in lieu of the audit report.* Problems requiring correction should be included in the audit report so that they receive appropriate attention, tracking, and transparency.
- *Noncompliance with reporting requirements and additional scope for closeout audits.* The auditors did not report whether assets were properly accounted for and disposed of, and whether excess cash was returned to USAID at the end of the award.
- *Noncompliance with a 2019 update to the Statement on Auditing Standards (SAS) 134, "Auditor Reporting and Amendments," which changed NFA reporting requirements.* Only one-third of NFA reports complied because USAID was delayed in updating reporting guidance for awardees and audit firms to follow.

Memo of Review Comments to Controller



Source: OIG-generated chart.

USAID OIG’s LAC Regional Office provides independent audit oversight of USAID operations and programming in 27 countries across Latin America and the Caribbean from its office in San Salvador, El Salvador.

We prepared this information brief using public and nonpublic information. We conducted this work under the Council of the Inspectors General for Integrity and Efficiency’s Quality Standards for Federal Offices of Inspector General.