



OFFICE OF INSPECTOR GENERAL U.S. Agency for International Development

MEMORANDUM

DATE: May 15, 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 Pact, Inc., and Affiliates Consolidated Financial Statements and
Report for the Year Ended September 30, 2022 (3-000-25-044-T)

This memorandum transmits the final audit report on the single audit of Pact, Inc., and Affiliates (Pact) Consolidated Financial Statements and Report for the Year Ended September 30, 2022. The audit report was obtained from the Federal Audit Clearinghouse. Pact contracted with the independent audit firm Grant Thornton LLP (Grant Thornton) to conduct the audit. Grant Thornton stated that it performed its audit in accordance with U.S. Government accounting standards issued by the Comptroller General of the United States and in accordance with Title 2 Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Grant Thornton is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on Pact's fund accountability statement; the effectiveness of its internal control; or its compliance with the awards, laws, and regulations.¹

Grant Thornton's audit objectives were to: (1) audit Pact's consolidated financial statements comprising the consolidated statements of financial position as of September 30, 2022 and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements; (2) 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 an a report including an opinion; and

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.

(3) audit Pact's compliance for each of its major federal programs based on the types of compliance requirements described in the Office of Management and Budget Compliance Supplement that could have a direct and material effect on each of Pact's major Federal programs for the year ended September 30, 2022. To answer the audit objectives, Grant Thornton: (1) identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks; (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 Pact and evaluated the overall presentation of the consolidated financial statements. Pact's audited expenditures of Federal awards were \$141,237,056, of which the U.S. Agency for International Development's (USAID) audited expenditures amounted to \$137,782,797.

Grant Thornton expressed an unmodified opinion on the financial statements and on compliance for major Federal programs. Further, Grant Thornton reported that it did not find any material weaknesses or significant deficiencies in internal control over financial reporting and no material weaknesses in internal control over major programs. Grant Thornton did, however, discover a significant deficiency in internal control over major programs required to be reported according to 2 CFR 200.516(a) and against which no questioned costs were identified. Although we are not making a recommendation for the significant deficiency in internal control over major programs noted in the report, we suggest that USAID/Management/Office of Acquisition and Assistance/Cost, Audit, and Support Division, Contract Audit Management Branch, determine whether Pact addressed it.

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.