



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

### MEMORANDUM

**DATE:** June 5, 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 National Democratic Institute for International Affairs for the  
Year Ended September 30, 2023 (3-000-25-054-T)

This memorandum transmits the final audit report on the single audit of National Democratic Institute for International Affairs (NDI) for the Year Ended September 30, 2023. The audit report was obtained from the Federal Audit Clearinghouse. NDI contracted with the independent audit firm RSM US LLP (RSM) to conduct the audit. RSM stated that it performed its audit in accordance with U.S. Government auditing standards issued by the Comptroller General of the United States and in accordance with Title 2 CFR 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 NDI's schedule of Federal expenditures; the effectiveness of its internal control; or its compliance with the awards, laws, and regulations.<sup>1</sup>

RSM's audit objectives were to: (1) audit NDI's financial statements comprising the statements of financial position as of September 30, 2023, and the related statements of activities and changes in net assets, 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 combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion; (3) consider NDI's internal control over financial reporting (internal control) as a basis for designing audit

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<sup>1</sup> 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.

procedures that are appropriate in the circumstances, for the purpose of expressing our opinions on the financial statements; and (4) audit NDI's compliance with the types of compliance requirements identified as subject to audit in the Office of Management and Budget Compliance Supplement that could have a direct and material effect on each of NDI's major Federal programs for the year ended September 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 design and perform audit procedures responsive to those risks; (2) obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NDI's internal control; and (3) 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. NDI's audited expenditures of Federal awards were \$154,633,828, of which the U.S. Agency for International Development's (USAID) audited expenditures amounted to \$81,975,293.

RSM expressed an unmodified opinion on the financial statements and on compliance for major programs. Further, RSM reported that it did not find any material weaknesses or significant deficiencies in internal control over financial reporting and in internal control over major programs.

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.<sup>2</sup>

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<sup>2</sup> 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](mailto:oignotice_ndaa5274@usaid.gov).