



# Non-Federal Audit Snapshot







## USAID OIG LAC Regional Office

January – June 2025  
Report No. I-000-25-002-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. 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](#).

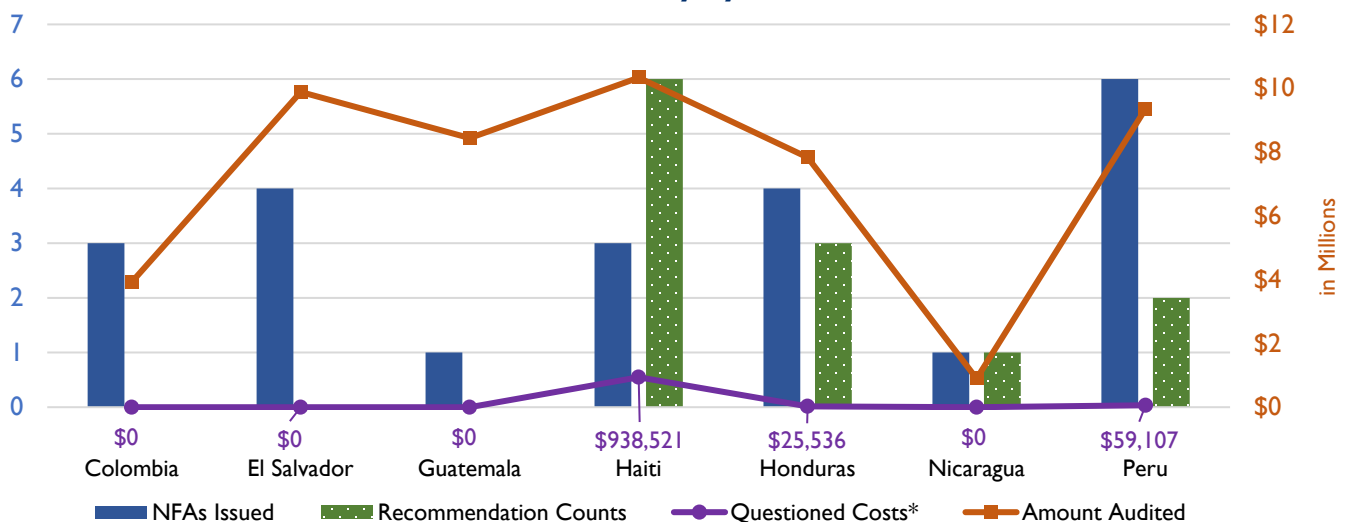
This **NFA Snapshot** highlights program data, audit findings, and recommendations in NFA reports transmitted by USAID OIG's Latin America and Caribbean (LAC) Regional Office from January 1 to June 30, 2025.

### By the Numbers: NFA Reports, Findings, and Recommendations

	NFAs Issued	22		Questioned Costs	\$1,023,164
	Amount Audited	\$50,645,526		Recommendations Issued	12
	Findings: Material Weaknesses in Internal Control	5		Findings: Compliance	8

- The most common programmatic areas covered by NFA reports issued during the period were health (28 percent), economic growth and trade (21 percent), and agriculture (10 percent). Additional programs covered were related to democracy and governance, education and social services, and other areas.
- Over half of the audited expenditures for NFAs issued this period pertained to USAID programs in El Salvador, Haiti, and Peru. The remaining audited expenditures pertained to programs managed by four other USAID missions in the LAC region.

### NFA Activity by Mission



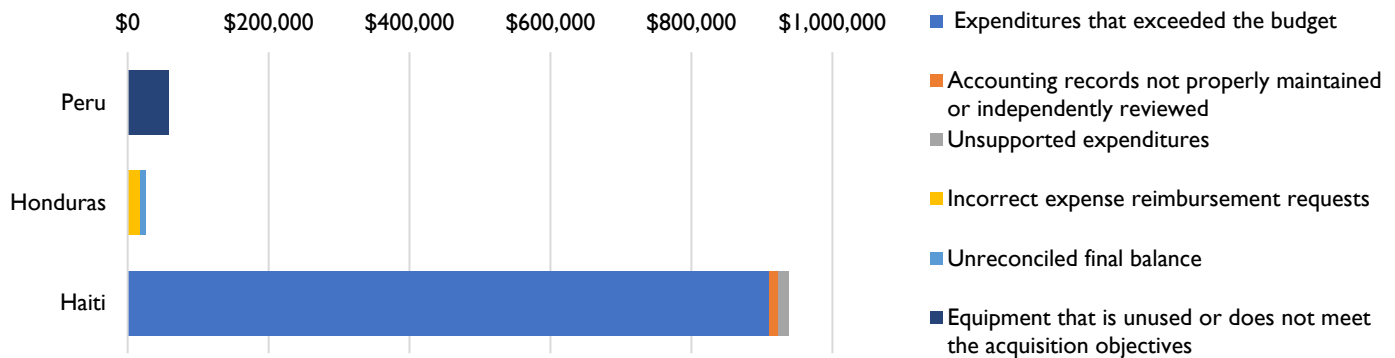
Source: OIG.

\* Questioned Costs amounts are as shown in thousands.

## Drill Down: NFA Questioned Costs

Questioned costs are expenditures that auditors identify as unsupported (missing documentation) or ineligible (not allowed for the purposes of the award). NFA reports for Haiti, Honduras, and Peru issued this period questioned over \$1 million in expenditures due to the internal control and noncompliance findings below.

### Nature of Questioned Costs



Source: OIG.

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 Comment (MRCs) describe nonmaterial errors for the auditors to correct in future NFA reports.

### By the Numbers: OIG Desk Reviews



Independent Public Accounting Firms That Performed NFAs

17



NFA Reports Rejected and Returned to USAID

1



Supplementary "Memos of Review Comment" Issued

18

- We rejected one NFA covering \$894,519 of expenditures for a USAID program in Mexico due to errors in the Schedule of Expenditures of Federal Awards (SEFA), including incorrect summations, calculations, and exchange rate use. USAID did not submit a revised report for the NFA report rejected.
- The MRCs issued this period noted that the auditors (1) did not comply with updated requirements for Statement on Auditing Standards No. 134, (2) included errors and miscalculations in the SEFA, (3) did not disclose questioned costs in the SEFA, (4) included personally identifiable information in the management letter or audit report, (5) applied the exchange rate incorrectly, or (6) committed errors in the report on the SEFA, internal control, or cost sharing schedule.

USAID OIG also tracks the status of open recommendations and NFA completion against USAID mission annual audit plans. Unresolved NFA recommendations may leave critical findings unaddressed, and incomplete or late audits leave expenditures unaudited, making U.S. foreign assistance more vulnerable to unidentified fraud, waste, or abuse.

### Open NFA Recommendations and Pending Audit Reports in LAC as of June 30, 2025

	NFAs Pending Completion	55		Anticipated Expenditures to Be Covered by Pending NFAs	\$119,835,403
	Open NFA Recommendations	9		Questioned Costs from Open NFA Recommendations	\$1,182,967

USAID OIG's LAC Regional Office provides independent audit oversight of USAID's prior operations and programming in 27 countries across Latin America and the Caribbean from its office in San Salvador, El Salvador. Although USAID's LAC missions closed in August 2025, we continue to oversee the Agency's efforts to close out its prior awards in the region. 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*.