



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

### MEMORANDUM

**DATE:** December 10, 2025

**TO:** Eric Ueland  
USAID/Performing the Duties of Administrator and Chief Operating Officer

Douglas A. Pitkin  
USAID/Acting Chief Financial Officer

**FROM:** David A. McNeil /s/  
Director  
External Financial Audits Division

**SUBJECT:** Financial Audit of Medair in Multiple Countries Under Multiple Awards, for the Fiscal Year Ended December 31, 2023 (3-000-26-003-R)

This memorandum transmits the final audit report on the U.S. Agency for International Development (USAID) resources managed by Medair in multiple countries under multiple awards for the fiscal year ended December 31, 2023. Medair contracted with the independent certified public accounting firm of Crowe U.K. LLP (Crowe) to conduct the audit. Crowe stated that it performed its audit in accordance with U.S. Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States. Crowe stated that it does not have a continuing education program fully satisfying the requirement set forth in GAGAS, and it did not have an external quality control review by an unaffiliated audit organization as required by GAGAS, since no such program is offered by professional organizations in the United Kingdom. Crowe is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on Medair's schedule of expenditures of USAID awards; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.<sup>1</sup>

The audit objectives were to (1) express an opinion on whether the schedule of expenditures of USAID awards for the period audited, was presented fairly, in all material respects; (2) evaluate Medair's internal controls related to USAID funded programs and to cost sharing contributions; (3) determine whether Medair complied with award terms, including cost sharing contributions, and applicable laws and regulations; (4) determine if Medair has taken adequate corrective action on prior audit recommendations; (5) perform an audit of the indirect cost

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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.

rates and a reconciliation to the general purpose financial statements; and (6) verify if closeout audit procedures were performed for the awards that expired during the audit period. To answer the audit objectives, Crowe: (1) reconciled the schedule of expenditures to underlying accounting records, bank statements and reports to USAID; (2) reviewed the recipient's internal controls related to USAID programs to obtain a sufficient understanding of the design of relevant control policies and procedures and whether those policies and procedures have been in operation during the audited period; (3) identified the agreement terms and pertinent laws and regulations and determine which of those, if not observed, could have a direct and material effect on the schedule of expenditures of USAID awards; (4) reviewed the status of actions taken on findings and recommendations reported in prior audits of USAID funded programs, and evaluated whether Medair took appropriate corrective action; (5) reviewed the actual indirect cost rate for the year as Medair used provisional rates to charge indirect costs to USAID and that the method of calculation is in line with USAID requirements; and (6) verified if closeout audit procedures were performed in accordance with USAID requirements. Crowe examined USAID allowable costs of \$32,091,442 for the fiscal year ended December 31, 2023.

Crowe concluded that, except for the effects of the \$12,928 ineligible questioned costs, the schedule of expenditures of USAID awards presented fairly, in all material respects, program revenues, costs incurred and reimbursed, and commodities and technical assistance directly procured by USAID for the year that ended in accordance with the terms of the agreements. Crowe did not identify any material weaknesses in internal control. Crowe did identify four instances of noncompliance including one regarding closeout procedures. Since the questioned costs did not meet the OIG's established threshold of \$25,000 for making a recommendation, we are not making a recommendation. Nevertheless, we suggest that USAID determine the allowability of the \$12,928 in ineligible questioned costs and recover any amount determined to be unallowable. Crowe stated that based on their review, nothing came to their attention that caused them to believe that Medair did not fairly present the cost sharing contributions schedule, in all material respects, in accordance with the basis of accounting used to prepare the cost sharing contributions schedule. Crowe reported that no findings were noted in the prior year. Crowe issued a management letter. The audit firm stated that the schedule of computation of indirect cost rate was fairly stated in all material respects in relation to the basic financial statements taken as whole.

During our desk review, we identified several issues Crowe will need to address in future audit reports. We presented the issues in a memo to USAID, dated December 10, 2025.

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).