



Non-Federal Audit Snapshot

USAID OIG Asia Regional Office

Covering January – June 2025
Report No. 5-000-26-001-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 the NFA reports for compliance with government auditing reporting standards and transmits the reports and recommendations to USAID. Learn more in the [NFA Primer](#).

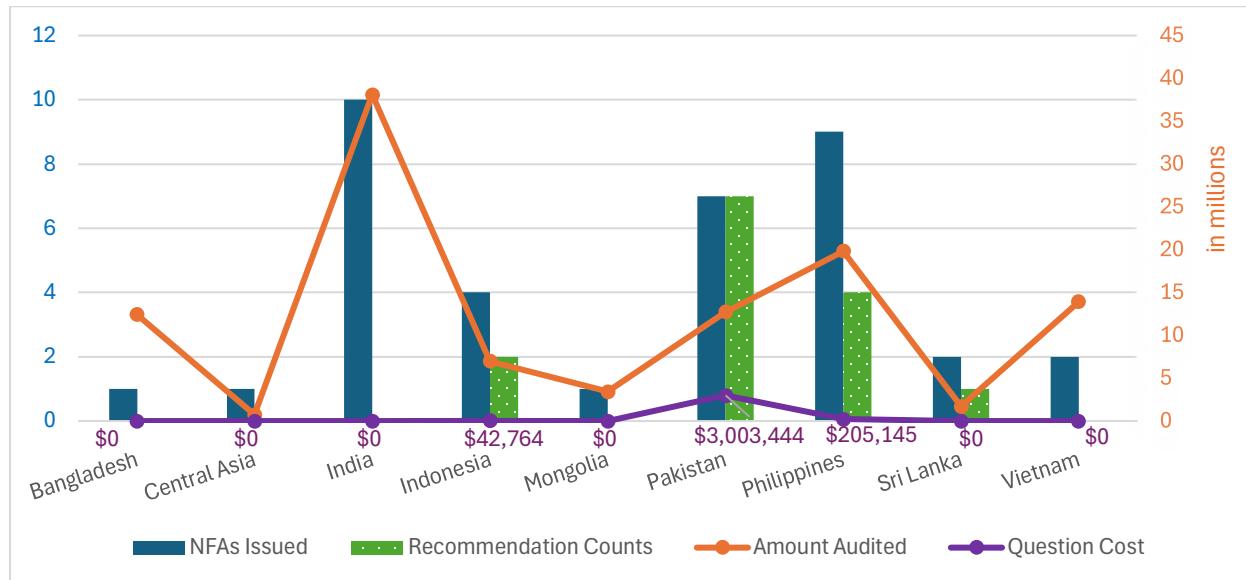
This **NFA Snapshot** highlights program data, audit findings, and recommendations in NFA reports transmitted by USAID OIG's Asia Regional Office from January 1 to June 30, 2025.

By the Numbers: NFA Reports, Findings, and Recommendations

| | | | | | |
|--|---|---------------|--|------------------------|-------------|
| | NFAs Issued | 37 | | Questioned Costs | \$3,251,353 |
| | Amount Audited | \$109,950,534 | | Recommendations Issued | 14 |
| | Findings: Material Weaknesses in Internal Control | 0 | | Findings: Compliance | 13 |

- The most common programmatic areas covered by NFA reports issued during the period were health, including tuberculosis, HIV/AIDS, maternal health, and child survival programs (24 percent), democracy and governance (16 percent), and education and social services (16 percent).
- Over half of the expenditures covered by NFAs issued this period pertained to USAID programs implemented in India and the Philippines. The remaining audited expenditures pertained to programs managed by seven other USAID missions in the Asia region.

NFA Activity by USAID Mission



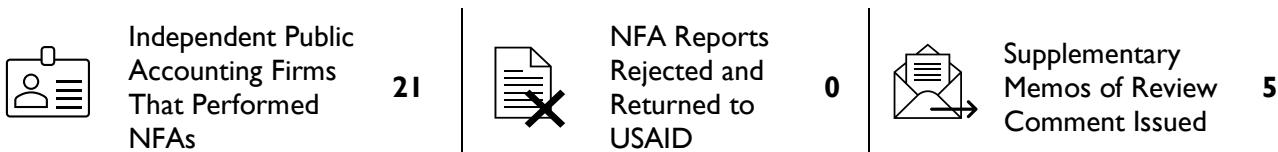
Source: OIG-generated chart.

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). The costs questioned during the period mostly pertained to ineligible costs. Over 92 percent of the questioned costs identified were for USAID programs implemented in Pakistan, with the remainder pertaining to programs implemented in the Philippines and Indonesia.

USAID OIG reviews NFA reports for key attributes, including adherence to professional standards, completeness, and compliance with required reporting standards. 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



The MRCs issued this period mainly noted that the auditors (1) did not comply with updated requirements for Statement on Auditing Standards No. 134, (2) did not report on budget overruns, or (3) did not comply with closeout audit requirements.

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

Open NFA Recommendations and Outstanding NFA Reports in Asia as of June 2025

| | | | | | |
|---|--------------------------|----|---|--|--------------|
|  | NFA Reports Outstanding | 22 |  | Estimated Expenditures to Be Covered by Outstanding NFAs | \$66,583,060 |
|  | Open NFA Recommendations | 24 |  | Open Questioned Costs Recommendations | \$12,142,856 |

Of the open questioned costs recommendations, 79 percent were issued for USAID programs implemented in Pakistan and 21 percent pertained to USAID programs in the Philippines. Furthermore, as of June 30, 2025, audit plans for fiscal year 2025 by USAID missions in Asia indicated that 22 audit reports were not yet submitted to OIG.

USAID OIG's Asia Regional Office provides independent audit oversight of USAID programs across 35 countries from its office in Bangkok, Thailand. Although USAID's Asia 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*.