



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: April 16, 2026

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/
External Financial Audits Division Director

SUBJECT: Financial Audit of Rural Agency for Community Development and Assistance Under Two Awards in Kenya, 2024 (3-000-26-019-R)

This memorandum transmits the final audit report on the U.S. Agency for International Development (USAID) resources managed by Rural Agency for Community Development and Assistance (RACIDA) in Kenya under the following awards:

Award Name	Award Number (Type)	Period
Integrated Life Saving Project in Mandera County	720BHA23GR00106 Closeout (Agreement)	January 1, 2024, to May 14, 2024
Integrated Recovery Response to Drought and Flood in Mandera County	720BHA24GR00169 (Agreement)	July 26, 2024, to December 31, 2024

RACIDA contracted with the independent certified public accounting firm of PKF Kenya LLP (PKF) to conduct the audit. PKF stated that it performed its audit in accordance with U.S. Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States. PKF stated that it did not have an external quality control review by an unaffiliated audit organization as required by GAGAS. PKF is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on RACIDA's schedule of expenditures of USAID awards; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.¹

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.

The audit objectives were to (1) express an opinion on whether the schedule of expenditures of USAID awards gives a true and fair view in accordance with GAGAS; (2) ascertain whether all material instances of non-compliance and all illegal acts that have occurred or are likely to have occurred are identified; (3) assess that RACIDA's schedule of expenditures is in conformity with the agreements terms and applicable laws and regulations; and (4) evaluate RACIDA's internal controls related to USAID funded projects. To answer the audit objectives, PKF: (1) examined the schedule of expenditures of USAID awards, including the budgeted amounts by category and major items, the revenues received from USAID and the costs reported by the recipient as incurred during the period covered by the audit; (2) reviewed the recipient's internal controls related to USAID projects to obtain a sufficient understanding of the design of relevant control policies and procedures and whether those policies and procedures have been placed in operation; and (3) ensured compliance with agreement terms and applicable 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. The schedule of expenditures of USAID awards disclosed that USAID audited expenditures were \$5,012,961 for the period audited.

PKF concluded that the schedule of expenditures of USAID awards has been prepared, in all material respects, in accordance with the terms of the agreements. PKF did not identify any material weaknesses in internal control. PKF did not identify any instances of material noncompliance with applicable laws, regulations, and agreement terms. PKF issued a management letter which included follow-up of minor internal control deficiencies and immaterial instances of noncompliance from the prior audit.

During our desk review, we identified one issue PKF will need to address in future audit reports. We presented the issue in a memo to USAID, dated April 16, 2026.

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@oig.usaid.gov.