



OFFICE OF INSPECTOR GENERAL
United States Department of Agriculture



System Review Report

September 25, 2026

Van Nguyen
Acting Deputy Inspector General, Performing the Duties of the Inspector General
U.S. Agency for International Development
Office of Inspector General
555 12th Street, NW
Washington, DC 20004

Dear Ms. Nguyen,

We have reviewed the system of quality control for the audit organization of U.S. Agency for International Development (USAID) Office of Inspector General (OIG) in effect for the fiscal year ended September 30, 2025. A system of quality control encompasses USAID OIG's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of conforming in all material respects with *Government Auditing Standards*¹ and applicable legal and regulatory requirements. The elements of quality control are described in *Government Auditing Standards*.

In our opinion, the system of quality control for the audit organization of USAID OIG in effect for the year ended September 30, 2025, has been suitably designed and complied with to provide USAID OIG with reasonable assurance of performing and reporting in conformity with applicable professional standards and applicable legal and regulatory requirements in all material respects.

Audit organizations can receive a rating of *pass*, *pass with deficiencies*, or *fail*. USAID OIG has received an External Peer Review rating of *pass*.

Monitoring of GAGAS Engagements Performed by Independent Public Accountants

In addition to reviewing its system of quality control to ensure adherence with *Government Auditing Standards*, we applied certain limited procedures in accordance with guidance established by the Council of the Inspectors General on Integrity and Efficiency (CIGIE) related to USAID OIG's monitoring of engagements conducted in accordance with generally accepted government auditing standards (GAGAS engagements) by Independent Public Accountants (IPAs) under contract where the IPA served as the auditor. It should be noted that monitoring of GAGAS engagements performed by IPAs is not an audit and, therefore, is not subject to the requirements of *Government Auditing Standards*. The purpose of our limited procedures was to

¹ GAO, *Government Auditing Standards, 2018 Revision Technical Update*, GAO-21-368G (Apr. 2021).



determine whether USAID OIG had controls to ensure IPAs performed contracted work in accordance with professional standards. However, our objective was not to express an opinion; accordingly, we do not express an opinion on USAID OIG's monitoring of work performed by IPAs.

Letter of Comment

We have issued a letter dated September 25, 2026, that sets forth findings that were not considered to be of sufficient significance to affect our opinion expressed in this report.

Basis of Opinion

Our review was conducted in accordance with *Government Auditing Standards* and the CIGIE *Guide for Conducting Peer Reviews of Audit Organizations of Federal Offices of Inspector General*.²

During our review, we interviewed USAID OIG personnel and obtained an understanding of the nature of the USAID OIG audit organization, and the design of USAID OIG's system of quality control sufficient to assess the risks implicit in its audit function. Based on our assessments, we selected GAGAS engagements and administrative files to test for conformity with professional standards and compliance with USAID OIG's system of quality control. The GAGAS engagements selected represented a reasonable cross-section of USAID OIG audit organization, with an emphasis on higher-risk engagements.

In performing our review, we obtained an understanding of the system of quality control for the USAID OIG audit organization. In addition, we tested compliance with USAID OIG's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of USAID OIG's policies and procedures on selected GAGAS engagements. Our review was based on selected tests; therefore, it would not necessarily detect all weaknesses in the system of quality control or all instances of noncompliance with it.

Prior to concluding the peer review, we reassessed the adequacy of the scope of the peer review procedures and met with USAID OIG management to discuss the results of our review. We believe that the procedures we performed provide a reasonable basis for our opinion. Enclosure 1 to this report provides a description of the work we performed, and a list of the USAID OIG engagements we reviewed.

Responsibilities and Limitation

USAID OIG is responsible for establishing and maintaining a system of quality control designed to provide USAID OIG with reasonable assurance that the organization and its personnel comply in all material respects with professional standards and applicable legal and regulatory

² Council of the Inspectors General on Integrity and Efficiency, *Guide for Conducting Peer Reviews of Audit Organizations of Federal Offices of Inspector General* (Mar. 2020).



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requirements. Our responsibility is to express an opinion on the design of the system of quality control and USAID OIG's compliance based on our review.

There are inherent limitations in the effectiveness of any system of quality control; therefore, noncompliance with the system of quality control may occur and may not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

We appreciate the courtesies and cooperation extended to us by members of your staff.

A handwritten signature in black ink, appearing to read "John Walk", written over a horizontal line.

John Walk
Inspector General
U.S. Department of Agriculture

Enclosures



Scope and Methodology

We tested compliance with USAID OIG audit organization's system of quality control to the extent we considered appropriate. These tests included a review of 6 of 42 engagements conducted in accordance with generally accepted government auditing standards (GAGAS engagement) issued from October 1, 2024, through September 30, 2025. We also reviewed the internal quality control review performed by USAID OIG.

In addition, we reviewed USAID OIG's monitoring of three GAGAS engagements performed by IPAs where the IPA served as the auditor from October 1, 2024, through September 30, 2025. During the period, USAID OIG contracted for the audit of its agency's fiscal years 2023 and 2024 financial statements. USAID OIG also contracted for one GAGAS engagement that was performed in accordance with *Government Auditing Standards*.

We invited all staff from USAID OIG, Office of Audits, Inspections, and Evaluations to complete a survey designed to determine the extent to which quality control policies and procedures were effectively communicated to staff and to obtain their views about several factors related to the agency's adherence to those policies and procedures. We also reviewed the training records for 5 nonstatistically selected employees to determine whether they had obtained the required continuing professional education credits.

Table 1: Reviewed GAGAS Engagements Performed by USAID OIG.

Report No.	Report Date	Report Title
8-000-25-001-A	12/18/2024	Compliance With Safety Standards at the Bureau for Humanitarian Assistance Warehouse in the United Arab Emirates
9-000-25-002-P	9/11/2025	Non-Federal Audits: Actions Needed to Standardize Processes for Reviewing Reports and Assessing Questioned Costs
1-000-25-001-P	5/5/2025	Colombia: USAID Complied with U.S. Laws Limiting Assistance but Could Strengthen Internal Management Activities
4-000-25-001-P	2/26/2025	President's Malaria Initiative in Africa: USAID Did Not Implement Its Strategy to Prioritize High-Burden Countries
0-000-25-005-X	2/10/2025	Review of USAID's Reporting on Its Drug Control Program Budget and Accounting for Fiscal Year 2024

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**Table 2: Reviewed Monitoring Files of USAID OIG for Contracted GAGAS Engagements.**

Report No.	Report Date	Report Title
0-MCC-25-002-C	11/14/2024	Audit of Millennium Challenge Corporation's (MCC's) Financial Statements for Fiscal Years 2024 and 2023
0-000-25-001-C	11/14/2024	Audit of USAID's Financial Statements for Fiscal Years 2024 and 2023
3-000-25-001-U	2/18/2025	Ukraine: Audit of Costs Incurred by Tetra Tech ES, Inc., from July 1, 2018, to December 31, 2022

Table 3: Reviewed GAGAS Engagement Terminated by USAID OIG.

Task Number	Terminated Date	Project Title
5U100124	4/30/2025	Audit of Sustainability of USAID/Nepal's Construction Activities



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Enclosure 2

**U.S. Agency for International Development Office of Inspector
General Response to the System Review Report**



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

MEMORANDUM

DATE: September 22, 2026

TO: John Walk
Inspector General
U.S. Department of Agriculture

FROM: Van Nguyen
Acting Deputy Inspector General, Performing the Duties of the Inspector General
U.S. Agency for International Development

SUBJECT: Response to the Draft System Review Report on the USAID Office of Inspector General's System of Quality Control

Thank you for providing us the opportunity to review and comment on the draft system review report for the external peer review of our audit organization. We appreciate the review team's independent assessment of our office's compliance with *Government Auditing Standards* and our internal policies and procedures, and the professionalism, thoroughness, and consideration demonstrated throughout the review process.

We agree with the opinions expressed in the draft report and have no additional comments.

Van Nguyen
Acting Deputy Inspector General,
Performing the Duties of the Inspector General