



Office of Inspector General

MEMORANDUM

DATE: March 27, 2018

TO: USAID/Bureau for Management/Office Acquisition and Assistance/Cost, Audit and Support Division, Branch Chief, David A. McNeil

FROM: Acting Director of External Financial Audits, Abdoulaye Gueye /s/

SUBJECT: OMB Circular A-133 Audit of American Community School for the Fiscal Year Ended June 30, 2015 (3-000-18-014-T)

This memorandum transmits the final audit report on American Community School for the fiscal year Ended June 30, 2015. The audit report was obtained from the Federal Audit Clearinghouse. Deloitte & Touche performed the Office of Management and Budget (OMB) Circular A-133 audit.

Deloitte & Touche states it performed its audit in accordance with generally accepted government auditing standards. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on American Community School's financial statements; the effectiveness of its internal control; or its compliance with the awards, laws, and regulations.¹

The audit objectives were to; (1) express an opinion on whether the financial statements as of June 30, 2015 were presented fairly in all material respects; (2) express an opinion on whether the schedule of expenditures of federal awards as required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* is fairly stated in all material respects; (3) describe the scope of testing of internal control and compliance and the results of that testing and not to provide an opinion on its effectiveness; and (4) determine whether American Community School complied in all material respects with the types of compliance requirements that could have a direct and material effect on each of its major federal programs. The schedule of expenditures of federal awards disclosed that American Community School's audited expenditures were \$513,769 and the U.S. Agency for International Development's (USAID) audited expenditures were \$392,531 for the fiscal year ended June 30, 2015.

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.

Deloitte & Touche concluded that American Community School had had unmodified opinions on the financial statements, the schedule of expenditures of federal awards and the report on compliance for each major federal program. The auditor reported two findings. Findings 2015-001 and 2015-002 were significant deficiencies for internal control over compliance and instances of noncompliance for each major federal program.

To address the issues identified in the report, we recommend that USAID's Office of Acquisition and Assistance Cost, Audit and Support Division:

Recommendation I.

Verify that American Community School has implemented the auditor's recommendations for Finding 2015-001 and 2015-002. (See pages 36 through 38 of the report)

We ask that you provide your written notification of actions planned or taken to reach a management decision. We appreciate the assistance extended during the engagement.

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").

If you have any questions related to this report, please contact Steve Shea, assistant director, at (202) 712-1386 or sshea@usaid.gov.

Attachment: As stated

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