



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

### MEMORANDUM

**Date:** May 18, 2022

**TO:** USAID/Management/Office of Acquisition and Assistance/Cost, Audit, and Support Division, Contract Audit Management Branch, Supervisory Auditor, Eleanor C. Jefferson

**FROM:** Director of External Financial Audit Division (IG/A/EFA), David A. McNeil /s/

**SUBJECT:** Single Audit of ACDI/VOCA and Affiliates for the Fiscal Year Ended December 31, 2017 (3-000-22-005-T)

This memorandum transmits the final audit report on ACDI/VOCA and Affiliates under Title 2 United States Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, for the fiscal year ended December 31, 2017. ACDI/VOCA contracted with the independent certified public accounting firm RSM US LLP and Affiliates to conduct the audit. The audit report was obtained from the Federal Audit Clearinghouse. RSM performed the Title 2 CFR Part 200 audit. The audit firm stated that it performed its audit in accordance with generally accepted government auditing standards and Title 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on ACDI/VOCA's financial statements; the effectiveness of its internal control; or its compliance with the awards, laws, and regulations.<sup>1</sup>

The audit objectives were to: (1) express an opinion on whether the financial statements as of December 31, 2017 were presented fairly, in all material respects; (2) express an opinion on whether the schedule of expenditures of federal awards as required by 2 CFR Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is fairly stated in all material respects; and (3) describe the scope of testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on its effectiveness. To answer the audit objectives, the audit firm performed tests of ACDI/VOCA's compliance with specific provisions of laws, regulations, contracts, and grant agreements and other matters.

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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.

ACDI/VOCA's audited expenditures of federal awards were \$102,189,633 of which the U.S. Agency for International Development's (USAID) audited expenditures were \$91,016,417 for the fiscal year ended December 31, 2017. The audit firm expressed unmodified opinions on the financial statements and on compliance for the major federal programs. The audit firm concluded that the schedule of expenditures of federal awards was fairly stated, in all material respects, in relation to the financial statements as a whole. The audit firm did not identify any deficiencies in internal control over financial reporting that it considered to be material weaknesses or instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. The auditor did not identify any deficiencies in internal control over compliance that were material weaknesses, except for an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance, described in the accompanying schedule of finding and questioned costs as item 2017-001, that is also a significant deficiency. In addition, although, we are not making recommendation for the significant deficiency noted in the report, we suggest that USAID/Management/Office of Acquisition and Assistance/Cost, Audit, and Support Division, Contract Audit Management Branch determine if the recipient addressed the issue noted. The auditor issued a management letter.

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").