



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: March 20, 2024

TO: USAID/Management/Office of Acquisition and Assistance/Cost, Audit, and Support Division, Contract Audit Management Branch, Supervisory Auditor, Sheree F. Marshall

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

SUBJECT: Single Audit of Adventist Development and Relief Agency International for the Year Ended December 31, 2019 (3-000-24-020-T)

This memorandum transmits the final audit report on the single audit of Adventist Development and Relief Agency International (ADRA) for the Year Ended December 31, 2019. The audit report was obtained from the Federal Audit Clearinghouse. Maner Costerisan stated that it performed its audit in accordance with U.S. Government accounting standards issued by the Comptroller General of the United States and in accordance with Title 2 Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Maner Costerisan is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on ADRA's financial statements; the effectiveness of its internal controls; or its compliance with the awards, laws, and regulations.¹

Maner Costerisan's audit objectives were to: (1) express an opinion on the December 31, 2019, financial statements; (2) obtain reasonable assurance about whether ADRA's combined financial statements are free from material misstatement; and (3) express an opinion on compliance for each of ADRA's major Federal programs. To answer the audit objectives, Maner Costerisan: (1) obtained evidence about the amounts and disclosures in the financial statements; (2) evaluated the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management and evaluated the overall presentation of the financial statements; and (3) performed tests of ADRA's compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters.

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.

ADRA's audited expenditures of Federal awards was \$56,558,922, of which the U.S. Agency for International Development's (USAID) audited expenditures amounted to \$55,945,357.

Maner Costerisan expressed an unmodified opinion on the financial statements and compliance for major programs. Further, Maner Costerisan reported that it did not find any material weaknesses or significant deficiencies in internal control over financial reporting and material weaknesses in internal control over major programs. However, Maner Costerisan identified two significant deficiencies in internal control over major programs. Further, Maner Costerisan did not report any questioned costs associated with the two significant deficiencies it identified. Although we are not making a recommendation for the significant deficiencies noted in the report, we suggest that USAID/Management/Office of Acquisition and Assistance/Cost, Audit, and Support Division, Contract Audit Management Branch determine whether ADRA addressed the issues noted.

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@usaid.gov.