



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

### MEMORANDUM

**DATE:** April 17, 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 ACDI/VOCA and Affiliates for the Year Ended December 31, 2020 (3-000-24-028-T)

This memorandum transmits the final audit report on the single audit of ACDI/VOCA and Affiliates (ACDI/VOCA) for the Year Ended December 31, 2020. The audit report was obtained from the Federal Audit Clearinghouse. ACDI/VOCA contracted with the independent audit firm RSM US LLP (RSM) to conduct the audit. RSM stated it performed its audit in accordance with U.S. Government accounting standards issued by the Comptroller General of the United States and Title 2 Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. RSM is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on ACDI/VOCA's schedule of expenditures of Federal awards; the effectiveness of its internal control; or its compliance with the awards, laws, and regulations.<sup>1</sup>

RSM's audit objectives were to: (1) express an opinion on ACDI/VOCA's financial statements; (2) obtain reasonable assurance about whether ACDI/VOCA's combined financial statements are free from material misstatement; and (3) express an opinion on compliance with the types of compliance requirements described in the Office of Management and Budget Compliance Supplement that could have a direct and material effect on each of ACDI/VOCA's major federal programs for the year ended December 31, 2020. To answer the audit objectives, RSM: (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, as well as evaluating the overall presentation of the financial statements; and (3) tested ACDI/VOCA's compliance with certain provisions of laws,

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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.

regulations, contracts, grant agreements, and other matters. ACDI/VOCA's audited expenditures of Federal awards was \$82,633,606, of which the U.S. Agency for International Development's (USAID) audited expenditures amounted to \$73,844,755.

RSM expressed an unmodified opinion on the financial statements and on compliance for major Federal programs. Further, RSM reported that it did not find any material weaknesses in internal control over financial reporting and internal control over major programs. RSM did, however, identify significant deficiencies in internal control over financial reporting and internal control over major programs, both required to be reported in accordance with 2 CFR 200.516(a). The findings pertained to financial statement preparation and closing process and subrecipients. RSM determined that both the findings were not repeat findings, and no questioned costs were associated with the findings. Although we are not making a recommendation for 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 if ACDI/VOCA 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.<sup>2</sup>

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<sup>2</sup> 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](mailto:oignotice_ndaa5274@usaid.gov).