



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

MEMORANDUM

DATE: November 17, 2025

TO: Kenneth Jackson
USAID/Deputy Administrator for Management and Resources

Douglas A. Pitkin
USAID/Acting Chief Financial Officer

FROM: David A. McNeil /s/
Director
External Financial Audits Division

SUBJECT: Final Recipient Contracted Audit for Vietnam Red Cross Society for Fiscal Year Ended December 31, 2023 (3-000-26-001-R)

This memorandum transmits the final Recipient Contracted Audit (RCA) for Vietnam Red Cross Society (the Society) for fiscal year (FY) ended December 31, 2023. The U.S. Agency for International Development (USAID) Office of Acquisition and Assistance, Cost, Audit and Support Division, Contract Audit Management Branch contracted with the independent certified public accounting firm of Grant Thornton (Vietnam) Limited to conduct the audit. Grant Thornton stated that it performed its audit in accordance with the USAID Financial Audit Guide for Foreign Organizations, U.S. Generally Accepted Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States Government Accountability Office, the International Standards on Auditing issued by the International Auditing and Assurance Standards Board, in conjunction with GAGAS, and The International Standards of Supreme Audit Institutions issued by the International Organization of Supreme Audit Institutions for public-sector audits, in conjunction with GAGAS. Grant Thornton stated that it does not have a continuing education program fully satisfying the requirement set forth in GAGAS, and it did not have an external quality control review by an unaffiliated audit organization as required by GAGAS, because no such program is offered by professional organizations in Vietnam. Grant Thornton is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on whether costs claimed by the Society, in its FY 2023 RCA are accurate, allowable, allocable, and reasonable in accordance with contract terms and applicable Government acquisition regulations.¹

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.

Grant Thornton's audit objectives were to: (1) express an opinion on whether the schedule of expenditures of USAID awards for the USAID-funded programs presents fairly, in all material respects, revenues received, costs incurred, and commodities directly procured by USAID for the period audited in conformity with the terms of the agreements and the modified cash basis of accounting; (2) evaluate the Society's internal control related to the USAID-funded programs, assess control risk, and identify significant deficiencies including material weaknesses; (3) perform tests to determine whether the Society complied, in all material respects, with agreements terms and applicable laws and regulations related to USAID-funded programs; (4) determine whether the Society took adequate corrective action on prior audit report recommendations; and (5) disclose whether the Society does not have a USAID authorized indirect cost rate. To answer the audit's objectives, Grant Thornton did the following: (1) reviewed direct and indirect costs billed to and reimbursed by USAID and pass-through entities and costs incurred but pending reimbursement, and identified and quantified any questioned costs; (2) reviewed and evaluated the Society's internal controls related to USAID programs to obtain a sufficient understanding of the design of relevant control policies and procedures and whether those policies and procedures have been placed in operation; (3) identified the agreement terms and pertinent laws and regulations and determine which of those, if not observed, could have a direct and material effect on the schedule of expenditures of USAID awards; (4) reviewed the status of actions taken on findings and recommendations reported in prior audits of USAID funded programs, and evaluated whether the Society took appropriate corrective action. Grant Thornton examined USAID allowable costs of \$983,407 for FY 2023.

Grant Thornton concluded that: (1) its opinion on the schedules of expenditures of USAID awards was unmodified and there were no questioned costs identified as a result of its audit work; (2) there were no material weaknesses or significant deficiencies noted as a result of its audit work; (3) the results of its tests did not disclose any instances of non-compliance that are required to be reported under U.S. Government Auditing Standards; (4) the Society did not have a Negotiated Indirect Cost Rate; and (5) reviewed the Society's prior year's recommendation and recommended that the Society should discuss further with USAID to agree on the issue of input value added taxes incurred for the project activities, with the outstanding balance as of December 31, 2022. However, such input value added taxes were refunded to USAID by the Society at the closing date of projects. Grant Thornton's report contained its formal management letter resulting from its compliance examination.

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.