



MEMORANDUM

DATE: May 22, 2020

TO: USAID/Indonesia Mission Director, Ryan Washburn

FROM: USAID OIG Asia Regional Office Audit Director, James C. Charlifue /s/

SUBJECT: Financial Audit of USAID/Indonesia's Rupiah Trust Fund, for the Fiscal Years Ended September 30, 2018 and 2019 (5-497-20-005-N)

This memorandum transmits the final audit report on the USAID/Indonesia's Rupiah Trust Fund. USAID/Indonesia contracted with the independent certified public accounting firm of Johan Malonda Mustika & Rekan to conduct the audit. The audit firm stated that it performed its audit in accordance with U.S. generally accepted government auditing standards and USAID Financial Audit Guide for Foreign Organizations. However, it did not fully comply with the requirements on having a continuing professional education program and external quality control reviews. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on the recipient's fund accountability statement; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.¹

The audit objectives were to: (1) express an opinion on whether USAID/Indonesia's Rupiah Trust Fund's fund accountability statement for the period audited was presented fairly, in all material respects; (2) evaluate USAID/Indonesia's internal controls related to the trust fund; (3) determine whether USAID/Indonesia complied with trust fund agreement terms and applicable laws and regulations; and (4) determine whether USAID/Indonesia has taken adequate corrective action on prior audit report recommendations. To answer the audit objectives, Johan Malonda Mustika & Rekan examined the underlying transactions, evaluated the effectiveness of the internal controls, tested compliance with agreement terms and applicable laws and regulations, and assessed the status of any prior audit recommendations. The audit firm noted that there were no outstanding prior audit recommendations. The audit covered trust fund's receipts and costs of \$3,368,341 and \$1,915,650, respectively, for the two-year period ended September 30, 2019.

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.

Johan Malonda Mustika & Rekan concluded that the fund accountability statement presented fairly, in all material respects, trust fund receipts and costs incurred for the period audited. The audit firm did not identify any questioned costs, significant deficiencies or material weaknesses in internal control, or material instances of noncompliance.

The report does not include any recommendations. 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").

Attachment: a/s