



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: February 15, 2024

TO: USAID/Sri Lanka Mission Director, Gabriel Grau

FROM: Deputy Assistant Inspector General for Audit, Christine M. Byrne /s/

SUBJECT: Financial Audit of Multiple USAID Awards in Maldives Managed by Transparency Maldives for January 1, to December 31, 2022 (5-383-24-017-R)

This memorandum transmits the final audit report of Transparency Maldives (TM) under the following USAID awards:

Award Name (Type)	Award Number	Audit Period
Promoting Resilience in Maldives (award)	720-383-20-CA-00001	January 1 to December 31, 2022
Strong and Inclusive Maldivian Democracy (sub-grant) (close-out)	S-21-044	June 1 to November 30, 2022
Public Finance Management (sub-grant)	1004170-S20-34786-00	January 1 to December 31, 2022
Enhancing the Practice of Business Integrity (grant)	0121209-000-0A	January 1 to December 31, 2022

TM contracted with the independent audit firm T&D Associates to conduct the audit. The audit firm stated it performed its audit in accordance with generally accepted government auditing standards and the USAID Financial Audit Guide for Foreign Organizations. However, it did not have continuing professional education or external quality control review programs that satisfy GAGAS requirements because professional organizations in Sri Lanka do not provide 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 schedule of expenditures of USAID awards, the effectiveness of its internal control, or its compliance with the awards, laws, and regulations.¹

¹ We reviewed the audit firm's report for conformity with professional reporting standards. Our desk reviews are typically performed to identify items that need clarification or issues that require management attention. Desk reviews are limited to review of the audit report itself and exclude review of the auditor's supporting work papers; desk reviews are not designed to enable us to directly evaluate the quality of the audit performed.

The audit objectives were mainly to: (1) express an opinion on whether the schedule of expenditures of USAID awards for the period audited was presented fairly in all material respects; (2) evaluate TM's internal controls; and (3) determine whether TM complied with the awards terms and applicable laws and regulations. To answer the audit objectives, the audit firm performed the subject financial audit that covered total costs of \$968,271 for the year ending December 31, 2022.

The audit firm concluded that the schedule of expenditures of USAID awards presented fairly, in all material respects, project revenues and costs incurred under the agreements for the period audited. The audit firm did not identify any questioned costs, any material internal control weaknesses, or any material instances of noncompliance. The audit firm issued a management letter.

During our desk review, we noted an area for improvement in the audit report and informed the controller in a memo dated February 15, 2024, to ensure the audit firm addresses the issue in future audit reports.

The report does not include any recommendations for your action.

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.