



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

MEMORANDUM

DATE: March 15, 2024

TO: USAID/Vietnam Mission Director, Aler Grubbs

FROM: Asia Regional Office, Assistant Director, Rhonda M. Horried /s/

SUBJECT: Audit of Centre for Social Initiatives Promotion Under Inclusion Program in Vietnam, Cooperative agreement 72044020CA0005, for the Year Ended March 31, 2023. (5-440-24-027-R)

This memorandum transmits the final audit report of Centre for Social Initiatives Promotion under Inclusion program in Vietnam, cooperative agreement 72044020CA0005, for the year ending March 31, 2023. The auditee contracted with the independent audit firm Mazars to conduct the audit. The audit firm stated it performed the audit in accordance with U.S. Generally Accepted Government Auditing Standards (GAGAS), USAID Financial Audit Guide for Foreign Organizations, and International Standards on Auditing. However, it did not have a satisfactory continuing professional education program and an external quality control review program since this type of program is not offered in Vietnam. With respect to the continuing professional education program, the audit firm said it could not fully comply with GAGAS' auditing required hours. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on the auditee's schedule of expenditures; the effectiveness of its internal controls; or its compliance with the awards laws, and regulations.¹

The audit objectives were mainly to (1) express an opinion on whether the schedule of expenditures for the period audited was presented fairly, in all material respects; (2) evaluate the auditee's internal controls; and (3) determine whether the auditee complied with the award terms and applicable laws and regulations. To answer the audit objectives, the audit firm performed the subject financial audit that covered \$ 2,898,201 for the fiscal year ended March 31, 2023.

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.

The audit firm concluded that the schedule of expenditures of USAID awards presented fairly, in all material respects, program revenues and costs incurred under the award for the period audited and identified \$1,148 of ineligible questioned costs. The audit firm did not identify any material internal control weaknesses or any material instances of noncompliance with the award terms, conditions and applicable laws and regulations. Since the questioned costs did not meet the OIG's established threshold of \$25,000 for making a recommendation, we are not making a recommendation. Nevertheless, we suggest that USAID Vietnam determine the allowability of the \$1,148 in questioned costs and recover any amount determined to be unallowable. The audit firm issued a management letter.

The report does not contain 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 oinotice_ndaa5274@usaid.gov.