



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: June 16, 2023

TO: USAID/Regional Development Mission for Asia Director, Steve Olive

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

SUBJECT: Financial Audit of Asian Disaster Preparedness Center Under Multiple USAID Awards, January 1 to December 31, 2021(5-486-23-017-R)

This memorandum transmits the final report on the financial audit of the following USAID awards managed by Asian Disaster Preparedness Center (ADPC):

Award Name	Award Number	Audited Period/Audit Type
SERVIR-Mekong (Cooperative Agreement)	AID-486-A-14-00002	January 1 – December 31, 2021
Strengthening Institutionalization of the Program for Enhancement of Emergency Response in South Asia (Grant)	720FDA19CA00022	January 1 – December 31, 2021
Strengthening Emergency Preparedness for Response in Bangladesh (Grant)	720FDA19GR00257	January 1 – December 31, 2021
Strengthening Preparedness for Emergency Response through Multi-Stakeholder Cooperation in Southeast Asia (Grant)	720FDA20GR00075	January 1 – December 31, 2021
Institutionalizing Sustainable Community Based Disaster Risk Management (Close-out subaward Cooperative Agreement)	AID-OFDA-A-17-00013	January 1 – March 31, 2021

ADPC contracted with the independent certified public accounting firm KPMG Phoomchai Audit Ltd. to conduct the audit. The audit firm stated it performed its audit in accordance with generally accepted government auditing standards. However, it did not have an external quality control review by an unaffiliated audit organization or a continuing professional education program that fully satisfies the standards requirements. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on ADPC's schedule of expenditures of USAID awards; the effectiveness of its internal control; or its compliance with the awards, laws, and regulations).¹

The audit objectives were to (1) express an opinion on whether the schedule of expenditures of USAID awards for the audited period was presented fairly, in all material respects; (2) evaluate ADPC's internal control related to USAID funded projects; and (3) perform tests to determine whether ADPC complied with the agreements' terms and applicable laws and regulations. To answer the audit objectives, the audit firm performed the subject financial audit that covered total expenditures in the amount of \$2,267,454 for the audited period.

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, significant deficiencies or material weaknesses in internal control, or instances of material noncompliance.

During our desk review, we noted areas for improvement which the audit firm should address in future audit reports. We presented such areas for improvement in a memo to the controller dated June 16, 2023.

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

¹ We reviewed the audit firm's report for conformity with professional reporting standards. Our desk reviews are typically performed to identify any 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; they are not designed to enable us to directly evaluate the quality of the audit performed.

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.