



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: April 17, 2024

TO: USAID/Philippines and Mongolia, Mission Director, Ryan Washburn

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

SUBJECT: Financial Audit of USAID Multiple Awards in Philippines Managed by Gerry Roxas Foundation, Inc., March 15, 2021, to December 31, 2022 (5-492-24-033-R)

This memorandum transmits the final report on the financial audit of the following USAID awards managed by Gerry Roxas Foundation, Inc. (GRF):

Award Name (Type)	Award Number	Audit Period
Investing in Sustainability and Partnerships for Inclusive Growth and Regenerative Ecosystems (Cooperative Agreement)	72049221CA00004	September 14, 2021 – December 31, 2022
Youth Leadership for Democracy (Subgrant)	32376-500-26-95001	March 15, 2021 – February 15, 2022

GRF contracted with the independent audit firm Isla Lipana & Co. to conduct the audit. The audit firm stated it performed its audit in accordance with generally accepted government auditing standards (GAGAS) and USAID Financial Audit Guide for Foreign Organizations. However, it did not have a continuing professional education program or an external peer review program that fully satisfy the standards' requirements because professional organizations in Philippines do not offer external peer review programs. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on GRF's schedule of expenditures of USAID awards; the effectiveness of its internal control; or its compliance with the awards' terms, laws, and regulations.¹

The audit objectives were mainly to: (1) express an opinion on whether the schedule of expenditures of USAID award for the period audited was presented fairly in all material respects;

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 working papers; they are not designed to enable us to directly evaluate the quality of the audit performed.

(2) evaluate GRF's internal controls; and (3) determine whether GRF 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 \$1,929,544 for the period from March 15, 2021, to December 31, 2022.

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

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.