



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: March 29, 2023

TO: USAID/Ukraine and Belarus Mission Director, James Hope

FROM: USAID/OIG Middle East and Eastern Europe (ME/EE) Regional Office, Assistant Audit Director, David Clark /s/

SUBJECT: Audit of the Schedule of Expenditures of Civic Association: Ukrainian Helsinki Human Rights Union Under Multiple Awards, January 1 to December 31, 2021 (8-121-23-021-R)

This memorandum transmits the final audit report of the schedule of expenditures of Civic Association: Ukrainian Helsinki Human Rights Union (UHHRU) under the following awards:

Award Name (Type)	Award Number	Period	Sub-implementer
Responding to human rights violations and empowering citizens and human rights defenders in Ukraine activity" (cooperative agreement)	AID-121-A-14-00004	Jan. 1-Dec. 31, 2021	N/A
Education Program among Ukrainian Journalists (sub agreement) (closeout)	17-DOS 122-02	Jan. 1-Feb. 28, 2021	UHHRU
Free Voices: Supporting Journalists and Promoting Independent Media (award)	SLMAQMI8GR2209	Jan. 1-Dec. 31, 2021	N/A
stronger Together: Development of the Network and Raising Capacity of Ukrainian CSOs (award)	SLMAQMI9GR2312	Jan. 1-Dec. 31, 2021	N/A

UHHRU contracted with the independent audit firm RSM Ukraine to conduct the audit. The audit firm stated that it performed its audit in accordance with Generally Accepted Government Auditing Standards and USAID's Financial Audit Guide for Foreign Organizations. However, it did not have an external quality control review program or a continuing education program that fully satisfies the standards' requirements. The audit firm explained that professional organizations in Ukraine do not offer such a quality control review program. With respect to the continuing education program, the audit firm said that they could not satisfy the standards' requirements because they could not fully comply with the U.S. government auditing related 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 statement of expenditures; 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 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 awards terms and applicable laws and regulations. To answer the audit objectives, the audit firm performed the subject financial audit that covered USAID expenditures of \$611,066, for the period from January 1 to December 31, 2021.

The audit firm concluded that the schedule of expenditures of USAID awards presented fairly, in all material respects, program revenues and costs incurred for the period audited. The audit firm identified no questioned costs, no material weaknesses in internal control, and no instances of material noncompliance. In addition, the audit firm issued a management letter.

During our desk review, we noted two minor issues which the audit firm will need to address in future audit reports. We presented these issues in a memo to the controller dated March 29, 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").

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.