



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: February 6, 2024

TO: USAID/Indonesia Mission Director, Jeffery P. Cohen

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

SUBJECT: Financial Audit of USAID Multiple Awards Managed by KEMITRAAN in Indonesia, January 11 to December 31, 2022 (5-497-24-013-R)

This memorandum transmits the final report on the financial audit of the following USAID awards managed by Kemitraan Bagi Pembaruan Tata Pemerintahan (KEMITRAAN):

Award Name (Type)	Award Number	Audit Period
Indonesia Integrity Initiative - INTEGRITAS (Cooperative Agreement)	72049722CA00001	January 11, 2022 – December 31, 2022
Effective, Efficient, and Strong Governance - ERAT (Subcontract from The Asia Foundation)	32424.530	September 16, 2022 – December 31, 2022

KEMITRAAN contracted with the independent audit firm Tanubrata Sutanto Fahmi Bambang & Rekan to conduct the audit. The firm stated it performed its audit in accordance with generally accepted government auditing standards. However, it did not have continuing professional education and external quality control review programs that satisfy GAGAS requirements because professional organizations in Indonesia 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 awardee'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 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 KEMITRAAN's internal controls; and (3) determine whether KEMITRAAN

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.

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 total costs of \$1,070,260 for the period from January 11 to 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 instances of noncompliance, or any material internal control weaknesses. The audit firm issued a management letter.

During our desk review, we noted areas for improvement in the audit report and informed the regional controller in a memo dated February 6, 2024, to ensure the audit firm addresses the issues 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.