



MEMORANDUM

DATE: October 30, 2020

TO: USAID/Vietnam Mission Director, Ann Marie Yastishock

FROM: USAID OIG Asia Regional Office USDH NFA Coordinator, James C. Charlifue /s/

SUBJECT: Financial Audit of Center for Community Health Research and Development Under Enhanced Community HIV Link – Northern Project in Vietnam, Cooperative Agreement AID-440-A-17-00001, January 1 to December 31, 2019 (5-440-21-004-R)

This memorandum transmits the final audit report on the Enhanced Community HIV Link – Northern project managed by Center for Community Health Research and Development (CCRD). CCRD contracted with the independent certified public accounting firm of Grant Thornton (Vietnam) Limited to conduct the audit. The audit firm stated that it performed its audit in accordance with generally accepted government auditing standards (GAGAS), USAID Financial Audit Guide for Foreign Organizations, and 2 CFR Part 200 Subpart F–Audit Requirements. However, it did not fully comply with the requirements on having a continuing professional education program and 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 CCRD’s fund accountability statement; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.¹

The audit objectives were to (1) express an opinion on whether CCRD’s fund accountability statement for the period audited was presented fairly, in all material respects; (2) evaluate CCRD’s internal controls; (3) determine whether CCRD complied with agreement terms (including cost-sharing contributions) and applicable laws and regulations; and (4) determine whether CCRD had taken corrective actions on prior audit recommendations. To answer the

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.

audit objectives, the audit firm examined the fund accountability statement and supporting documentation; evaluated CCRD's internal control system and assessed all related risks; tested compliance with agreement terms and applicable laws and regulations; and assessed the status of prior audit report recommendations. The audit covered project revenues and costs of \$927,574² and \$946,790 respectively, from January 1 to December 31, 2019.

The audit firm concluded that the fund accountability statement presented fairly, in all material respects, project revenues and costs incurred under the award 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 also issued a management letter to CCRD identifying an internal control matter and a nonmaterial instance of noncompliance.

On the review of the cost-sharing contributions that are required under the award, the audit firm reported that CCRD contributed \$71,169 during the period reviewed. The audit firm did not report any questioned costs on these contributions. Finally, the audit firm reported that the three prior management letter issues were satisfactorily addressed and were not reported in the current management letter.

During our desk review, we noted an issue which the audit firm will need to address in future audit reports. We presented this issue and a suggestion in a memorandum to the mission's controller dated October 30, 2020.

Given the above results of the audit, we are not making any recommendations.

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").

Attachment: a/s

² The audit also covered bank interest of \$250 as reported in the fund accountability statement.