



# OFFICE OF INSPECTOR GENERAL

## U.S. Agency for International Development

### MEMORANDUM

**DATE:** February 13, 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 All-Ukrainian Network of People Living with HIV/AIDS Under Multiple Awards in Ukraine, January 1 to December 31, 2021 (8-121-23-014-R)

This memorandum transmits the final audit report on All-Ukrainian Network of People Living with HIV/AIDS incurred costs under the following awards:

<b>Award Name (Type)</b>	<b>Award Number</b>	<b>Period</b>	<b>Sub-implementer</b>
HealthLink: Accelerating Ukraine's Efforts to End HIV (cooperative agreement)	AID-121-A-17- 00003	January 1 to December 31, 2021	Alliance for Public Health, 100 Percent Life. Odesa, Kyiv Regional Branch of All-Ukrainian Network of People Living With HIV, Kryvyi Rig Regional Branch of All-Ukrainian Network of People Living With HIV, LGBT Association "LIGA", 100 Percent Life. Cherkassy, 100 Percent Life. Dnipro, Ukrainian Resource Center, 100 Percent Life. Zaporizhzhya, Chernihiv Regional Branch of All-Ukrainian Network of People Living With HIV, Kherson City Public Organization XXI Stolittya, Kropyvnytskiy Regional Branch of All-Ukrainian Network of People Living With HIV, Light of Hope, 100 Percent Life. Mykolaiv, Unitus, Everything is Possible.

<b>Award Name (Type)</b>	<b>Award Number</b>	<b>Period</b>	<b>Sub-implementer</b>
Supporting eHealth Infrastructure Development in Ukraine (cooperative agreement)	72012118CA0002	January 1 to December 31, 2021	AGELES

The auditee contracted with the independent audit firm LLC Deloitte & Touche USC to conduct the audit. The audit firm stated that it performed its audit in accordance with U.S. GAGAS. However, it did not have an external quality control review program that fully satisfies the standards' requirements. The audit firm explained that Ukraine does not offer such a review program. 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 schedule of expenditures; the effectiveness of its internal controls; or its compliance with the awards, laws, and regulations.<sup>1</sup>

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 \$6,361,390 from January 1 to December 31, 2021.

The audit firm concluded the schedule of expenditures of USAID awards presented fairly, in all material respects, program revenues and costs incurred under the awards for the period audited. The audit firm identified no questioned costs, no material weaknesses in internal control, and no instances of material noncompliance. Further, the audit firm issued a management letter. In its management letter, the auditor said that interest earned in the amount of \$5,097 was not remitted to USAID. Since this amount did not meet the OIG's established threshold of \$25,000 for making a recommendation, we are not making a recommendation. Nevertheless, we suggest that USAID Ukraine determine the allowability of the \$5,097 and recover any amounts determined to be unallowable. During our desk review, we noted areas for improvement which the audit firm should address in future audit reports. We presented these areas in a memo to the controller, dated February 13, 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").

<sup>1</sup> 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.