



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: January 31, 2024

TO: USAID/Bangladesh Mission Director, Reed J. Aeschliman

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

SUBJECT: Financial Audit of USAID Awards in Bangladesh Managed by the Social Marketing Company for the Period October 1, 2021, to September 30, 2022 (5-388-24-012-R)

This memorandum transmits the final audit report on the following USAID awards in Bangladesh managed by Social Marketing Company (SMC):

Award Name (Type)	Award Number	Period
Marketing Innovations for Sustainable Health Development Activity (cooperative agreement)	AID-388-A-16-00004	October 1, 2021 – September 30, 2022
USAID's Alliance for Combatting TB in Bangladesh (Sub-grant from International Centre for Diarrhoeal Disease Research, Bangladesh)	GR-01909	October 1, 2021 – September 30, 2022

SMC contracted with the independent audit firm MABS & J Partners, Chartered Accountants to conduct the audit. The audit firm stated it performed its audit in accordance with U.S. Government Auditing Standards. However, the audit firm disclosed it does not have a continuing professional education program and an external peer review that fully satisfies the standards' requirements because professional organizations in Bangladesh 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 the recipient's schedule of expenditures of USAID awards; the effectiveness of its internal control; or its compliance with the awards, laws, and regulations.¹

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

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 SMC's internal controls for the projects audited; and (3) determine whether SMC complied with awards terms and applicable laws and regulations, including cost-sharing contributions. To answer the audit objectives, the audit firm conducted a financial audit that covered costs of \$7,274,126², for the audited period.

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

During our desk review, we noted areas for improvement that the audit firm will need to address in its future audit reports. We presented these deficiencies in a memorandum to the mission controller dated January 31, 2024.

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.³

² Amount established based on OIG's verification of the Schedule of Expenditures figures against the account details disclosed in the notes and the related footings.

³ 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.