



# OFFICE OF INSPECTOR GENERAL

## U.S. Agency for International Development

### MEMORANDUM

**DATE:** February 15, 2024

**TO:** USAID/Regional Development Mission for Asia Director, Steve Olive

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

**SUBJECT:** Financial Audit of Asian Disaster Preparedness Center Under Multiple USAID Awards, January 1, 2022, to March 31, 2023 (5-486-24-019-R)

This memorandum transmits the final report on the financial audit of the following USAID awards managed by the Asian Disaster Preparedness Center (ADPC):

Award Name	Award Number	Audited Period/Audit Type
SERVIR-Mekong (Cooperative Agreement) (Close-out)	AID-486-A-14-00002	January 1 – September 29, 2022
Strengthening Institutionalization of the Program for Enhancement of Emergency Response in South Asia (Grant) (Close-out)	720FDA19CA00022	January 1 – March 31, 2023
Strengthening Emergency Preparedness for Response in Bangladesh (Grant) (Close-out)	720FDA19GR00257	January 1 – September 30, 2022
Strengthening Preparedness for Emergency Response through Multi-Stakeholder Cooperation in Southeast Asia (Grant) (Close-out)	720FDA20GR00075	January 1 – June 30, 2022
Long-term Assistance and Services for Research – Partners for University-Led Solutions Engine (Sub-award from Purdue University)	F9002550402158	July 1 – December 31, 2022

ADPC contracted with the independent audit firm KPMG Phoomchai Audit Ltd. to conduct the audit. The audit 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 Thailand do not offer such external quality control 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.<sup>1</sup>

The audit objectives were 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 ADPC's internal controls; (3) determine whether ADPC complied with the award terms and applicable laws and regulations; (4) perform an audit of the indirect cost rate; and (5) perform an audit of ADPC's general purpose financial statements. To answer the audit objectives, the audit firm performed the financial audit that covered total costs of \$3,357,565 for the period from January 1, 2022, to March 31, 2023.

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, significant deficiencies or material weaknesses in internal control, or instances of material noncompliance.

During our desk review, we noted areas of improvement in the audit report and informed the regional controller in a memo dated February 15, 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.<sup>2</sup>

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<sup>1</sup> 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.

<sup>2</sup> 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](mailto:oignotice_ndaa5274@usaid.gov).