



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: February 15, 2024

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

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

SUBJECT: Financial Audit of Universitas Indonesia Under Multiple USAID Awards, January 1 to December 31, 2020 (5-497-24-001-N)

This memorandum transmits the final report on the financial audit of the following Universitas Indonesia managed USAID awards:

Award Name (Type)	Award Number	Audit Period
US-Indonesia Partnership for South-South and Triangular Cooperation Component I – USIP I (Contract) (Close-out)	AID-497-C-16-00010	January 1 – November 30, 2020
Sustainable Higher Education Research Alliances - SHERA (Sub-award) *(Close-out)	IIE00000078-UI-01	January 1 – June 30, 2020
Empowering Access to Justice - MAJU (Sub-award)	31951.100, 31951.700	January 1 – December 31, 2020
Strengthening Indonesia’s Internal Auditor Competency through Auditor Functional JFA Syllabus and Modules Development Program – CEGAH (Sub-award) (Close-out)	61070000.19.050	April 15 – December 14, 2020
USAID Health Financing Activity – HFA (Sub-award)	INDONESIA-HFA-CHEPS-002	January 1 – December 31, 2020
USAID Health Financing Activity – HFA (Sub-award)	INDONESIA-HFA-CSSS UI-005	August 10 – December 31, 2020

USAID/Indonesia contracted with the independent 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 recipient'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 Universitas Indonesia's internal controls; and (3) determine whether Universitas Indonesia 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 total costs of \$870,098 for the period from January 1 to December 31, 2020.

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

During our desk review, we noted areas for improvement in the audit report and informed the regional controller in a memo dated February 15, 2024 to ensure the audit firm addresses these 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

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.

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.