



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: February 7, 2024

TO: USAID/Ukraine, Mission Director, James Hope

FROM: Middle East and Eastern Europe Regional Office, Audit Director,
Louis Duncan Jr. /s/

SUBJECT: Audit of the Schedule of Expenditures for All-Ukrainian Network of People Living With HIV/AIDS-100 Percent Life, January 1 to December 31, 2022 (8-121-24-011-R)

This memorandum transmits the final audit report of the schedule of expenditures of All-Ukrainian Network of People Living With HIV/AIDS-100 Percent Life under the following awards:

Award Name (Type)	Award Number	Period	Subimplementer
HealthLink: Accelerating Ukraine's Efforts to End HIV (cooperative agreement)	AID-121-A-17-00003	Jan. 1-Dec. 31, 2022	n/a
Supporting eHealth Infrastructure Development in Ukraine (cooperative agreement)[close-out]	72012118CA00002	Jan. 1- Sept. 30, 2022	n/a

All-Ukrainian Network of People Living With HIV/AIDS-100 Percent Life contracted with the independent audit firm Deloitte & Touche USC, Ukraine to conduct the audit. The audit firm stated it performed the audit in accordance with the U.S. Government Auditing Standards and USAID's Financial Audit Guide. However, it did not have an external quality control review program. The audit firm explained that professional organizations in Ukraine do not offer such a quality control 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 statement of expenditures, 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 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.

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 total expenditures of \$6,929,390, of USAID awards for the period from January 1 to December 31, 2022.

The audit firm concluded that the schedule of expenditures presented fairly, in all material respects, program revenues and costs incurred for the period audited. The audit firm identified \$9,786 of ineligible questioned costs but did not identify any material weaknesses in internal control or any material instances of noncompliance. Since the questioned costs 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 \$9,786 in questioned costs and recover any amount determined to be unallowable. Further, the audit firm issued a management letter.

During our desk review, we noted an area for improvement which the audit firm will need to address in future audit reports. We presented this deficiency in a memo to the controller dated February 7, 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.²

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.