



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: February 28, 2024

TO: USAID/Vietnam Mission Director, Aler Grubbs

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

SUBJECT: Financial Audit of Project Inclusion Program in Vietnam Managed by Center for Creative Initiatives in Health and Population, Cooperative Agreement 72044020CA00004, January 1 to December 31, 2022 (5-440-24-023-R)

This memorandum transmits the final audit report of Project Inclusion Program in Vietnam, managed by Center for Creative Initiatives in Health and Population (CCIHP), under cooperative agreement 72044020CA00004, for the period from January 1 to December 31, 2022. CCIHP contracted with the independent audit firm Mazars Vietnam Company Limited 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 a continuing professional education program or an external quality control review program that satisfy GAGAS requirements. The audit firm said that professional organizations in Vietnam do not offer such an external peer review program. With respect to the Continuing Professional Education, the audit firm said that it could not satisfy the U.S. Government requirements. 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 award, 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 CCIHP's internal controls; and (3) determine whether CCIHP complied with the award terms and applicable laws and regulations. To answer the audit objectives, the audit firm performed the financial audit that covered total costs of \$2,261,485 for the year ending December 31, 2022.

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.

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 agreement for the period audited and identified \$3,201 in total ineligible questioned costs, out of which \$138 was subsequently refunded to USAID. The audit firm did not identify any material instances of noncompliance or any material internal control weaknesses. 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 the mission determines the allowability of the \$3,063 in questioned ineligible costs and recover any unallowable amount. The audit firm issued a management letter.

During our desk review, we noted areas for improvement in the audit report and informed the controller in a memo dated February 28, 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.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.