



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: March 22, 2024

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

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

SUBJECT: Financial Audit of USAID/Indonesia's Rupiah Trust Fund, for the Fiscal Year Ended September 30, 2023 (5-497-24-002-N)

This memorandum transmits the final audit report of USAID/Indonesia's Rupiah Trust Fund for the fiscal year ended September 30, 2023. USAID/Indonesia contracted with the public accounting firm Johan Malonda Mustika & Rekan to conduct the audit. The audit firm stated it performed its audit in accordance with generally accepted government auditing standards, USAID Automated Directive System Series 591.3.5.e, and USAID Financial Audit Guide for Foreign Organizations. Professional organizations in Indonesia do not provide external quality control reviews and the audit firm did not have continuing professional education, so it could not satisfy these GAGAS 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 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 USAID/Indonesia's internal controls; and (3) determine whether USAID/Indonesia complied with the awards terms and applicable laws and regulations. To answer the audit objectives, the audit firm performed the financial audit that covered total costs of \$848,156 for the year ended September 30, 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, any material internal control weaknesses, or any material instances of noncompliance.

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 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.