



MEMORANDUM

Date: April 23, 2018

TO: USAID/Management/Office Acquisition and Assistance/Cost, Audit and Support Division, Branch Chief, David A. McNeil

FROM: Acting Director of External Financial Audits, Abdoulaye /s/

SUBJECT: Title 2 CFR Part 200 Audit of Viet-Nam Assistance for the Handicapped for the Fiscal Year Ended June 30, 2016 (3-000-18-019-T)

This memorandum transmits the final audit report on Viet-Nam Assistance for the Handicapped (VAH) for the fiscal year ended June 30, 2016. The audit report was obtained from the Federal Audit Clearinghouse. Rogers & Company PLLC performed the Title 2 U.S. Code of Federal Regulations (CFR) Part 200 audit.

Rogers & Company PLLC states it performed its audit in accordance with generally accepted government auditing standards. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on VAH's financial statements; the effectiveness of its internal control; or its compliance with the awards, laws, and regulations.¹

The audit's objectives were to; (1) express an opinion on whether the financial statements as of June 30, 2016 were presented fairly, in all material respects; (2) express an opinion on whether the schedule of expenditures of federal awards as required by 2 CFR Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" is fairly stated in all material respects; (3) describe the scope of testing of internal controls and compliance and the results of that testing and not to provide an opinion on its effectiveness; and (4) determine whether VAH complied in all material respects with the types of compliance requirements that could have a direct and material effect on each of its major programs. VAH's audited expenditures were \$1,452,099, comprised solely of the U.S. Agency for International Development (USAID) awards, for the fiscal year ended June 30, 2016.

Rogers & Company PLLC expressed unmodified opinions on the financial statements, the schedule of expenditures of federal awards and the report on compliance for each major federal program. The audit firm identified one finding. Finding 2016-001 is an instance of noncompliance over other matters in the report on compliance for each major federal program and a material weakness in internal control over compliance. Rogers & Company PLLC did not

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.

question any costs. Finding 2016-001 is a repeat finding from the prior year audit report. Rogers & Company PLLC also issued a management letter.

To address the issues identified in the report, we recommend that USAID's Office of Acquisition and Assistance Cost, Audit and Support Division:

Recommendation 1.

Verify that Viet-Nam Assistance for the Handicapped has corrected the instance of noncompliance over other matters in the report on compliance for each major federal program detailed on pages 17 and 18 of the audit report.

Recommendation 2.

Verify that Viet-Nam Assistance for the Handicapped has corrected the material weakness in internal control over compliance detailed on page 19 of the audit report.

We ask that you provide your written notification of actions planned or taken to reach a management decision. We appreciate the assistance extended during the engagement.

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").

If you have any questions related to this report, please contact Steve Shea, assistant director, at (202) 712-1386 or sshea@usaid.gov.

Attachment: As stated

cc:

AAudit@usaid.gov

OIGAuditTracking@usaid.gov

M/CFO/APC, T. Frakes

M/OAA/CAS, E. Jefferson

M/OAA/CAS, Y. Moody-Briscoe

M/OAA/CAS, L. Brown

IG/A/EFA, E. Zuber