



MEMORANDUM

DATE: August 24, 2021

TO: USAID/Vietnam Mission Director, Ann Marie Yastishock

FROM: USAID OIG Asia Regional Office USDH NFA Coordinator, James C. Charlifue /s/

SUBJECT: Financial Audit of the Center for Community Health Research and Development under Multiple USAID Awards in Vietnam, September 30, 2018, to December 31, 2020 (5-440-21-035-R)

This memorandum transmits the final audit report on the following USAID awards managed by the Center for Community Health Research and Development (CCRD):

Award Name (Type)	Award Number	Audited Period
Social Mobilization for Marine Waste Management (MT Project) Cooperative Agreement	SLMAQMI8GR2275	September 30, 2018, to December 31, 2020 (closeout)
Enhanced Community HIV Link – Northern (CL2 Project) Cooperative Agreement	AID-440-A-17-00001	January 1 to December 31, 2020
Inclusion Program (INC Project) Cooperative Agreement	72044020CA00003	July 1 to December 31, 2020

CCRD contracted with the independent certified public accounting firm of KPMG Limited to conduct the audit. The audit firm stated that it performed its audit in accordance with generally accepted government auditing standards (GAGAS), the USAID Financial Audit Guide for Foreign Organizations, and International Standards on Auditing issued by the International Auditing and Assurance Standards Board in conjunction with GAGAS. However, it did not fully comply with the requirements on having a continuing professional education program and 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 CCRD's fund accountability statements (FASs); the effectiveness of its internal control; or its compliance with the awards,

laws, and regulations.¹

The audit objectives were to (1) express an opinion on whether CCRD's FASs for the periods audited were presented fairly, in all material respects; (2) evaluate CCRD's internal controls; (3) determine whether CCRD complied with agreement terms and applicable laws and regulations (including cost-sharing contributions); and (4) determine whether CCRD had taken corrective actions on prior audit report recommendations. To answer the audit objectives, the audit firm examined the FASs and supporting documentation; evaluated the internal control system and assessed all related risks; tested compliance with agreement terms and applicable laws and regulations; and assessed the status of prior audit report recommendations. The audit covered project revenues and costs of \$1,186,351 and \$1,198,455, respectively, from September 30, 2018, to December 31, 2020.

The audit firm concluded that the FASs presented fairly, in all material respects, project revenues and costs incurred under the awards for the periods audited. The audit firm did not identify any questioned costs, material weaknesses in internal control, or instances of material noncompliance. The audit firm also issued a management letter to CCRD identifying two internal control matters and a nonmaterial instance of noncompliance.

On the review of the cost-sharing contributions, which are required under the CL2 Project, the audit firm reported that CCRD contributed \$98,343 during the period reviewed. The audit firm did not report any questioned costs on these contributions. Finally, the audit firm reported that one of the two prior management letter issues was not satisfactorily addressed; thus, it was reported again in the current management letter.

There are several issues that the mission and the audit firm will need to address in future audit reports. We also have a suggestion to the mission. We provided these issues and suggestion in a memorandum to the mission controller dated August 24, 2021.

The report does not include any recommendations.

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").

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.