



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: January 27, 2022

TO: USAID/Bangladesh Mission Director, Kathryn Stevens

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

SUBJECT: Financial Audit of Multiple USAID Awards Managed by International Centre for Diarrhoeal Disease Research, Bangladesh, January 1, 2020, to December 31, 2020 (5-388-22-008-R)

This memorandum transmits the final audit report of International Centre for Diarrhoeal Disease Research, Bangladesh (icddr,b) under the following USAID awards:

Award Name	Award No.	Audited Period
Research for Decision Makers (RDM) Activity (cooperative agreement)	AID-388-A-17-00006	January 1, 2020 to December 31, 2020
Alliance for Combating TB (ACTB) in Bangladesh Activity (cooperative agreement)	72038820CA00002	March 5, 2020 to December 31, 2020

Icddr,b contracted with the independent certified public accounting firm of S. F. Ahmed & Co. The audit firm stated that it performed its audit in accordance with generally accepted government auditing standards. However, the audit firm disclosed that it did not have (1) a continuing professional education program that fully satisfies the standards' requirements, and (2) external quality control reviews because this is not offered in Bangladesh. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on icddr,b's schedule of expenditures of USAID awards,¹ the effectiveness of its internal control, or its compliance with the award, laws, and regulations.²

¹ On August 6, 2021, USAID updated its Financial Audit Guide for Foreign Organizations. This audit followed the previous USAID Guide version (March 4, 2019). Under the updated USAID Guide, the "fund accountability statement" is now called "schedule of expenditures of USAID awards."

² 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 icddr,b's schedule of expenditures of USAID awards for the RDM Activity and ACTB in Bangladesh Activity for the period audited were presented fairly, in all material respects; (2) evaluate icddr,b's internal controls; (3) determine whether icddr,b complied with award terms and applicable laws and regulations, in all material respects; (4) review cost sharing/matching contributions to determine whether they were provided and accounted for by the recipient in accordance with the terms of the agreements; (5) perform tests to determine whether the recipient has been authorized to charge indirect costs; and (6) determine whether icddr,b had taken corrective actions on prior-period findings and recommendations. For the RDM Activity, the audit covered revenues and costs of \$2,378,115 and \$2,691,792 and for the ACTB in Bangladesh Activity, the audit covered revenues and costs of \$1,766,585 and \$2,328,908, for the audited period.

The audit firm concluded that the schedule of expenditures of USAID awards for the RDM Activity and ACTB in Bangladesh Activity are presented fairly, in all material respects, project revenues and costs incurred under their respective awards for the period audited. The audit firm did not identify any questioned costs, material weaknesses in internal control, or material instances of noncompliance.

Regarding the review of the cost-sharing contributions, the audit firm reported that icddr,b contributed \$377,813 under the RDM Activity during the period audited. The audit firm did not report any questioned cost-sharing contributions.

There are other minor issues that the audit firm will need to address in future audit reports. We presented these issues in a memorandum to the mission controller dated January 27, 2022.

The report does not include any recommendations. The 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").