



## OFFICE OF INSPECTOR GENERAL U.S. Agency for International Development

### MEMORANDUM

**DATE:** March 29, 2023

**TO:** USAID/Ukraine and Belarus Mission Director, James Hope

**FROM:** USAID OIG Middle East and Eastern Europe (ME/EE) Regional Office, Assistant Audit Director, David Clark /s/

**SUBJECT:** Audit of the Schedule of Expenditures of Dixi Group, Energy Sector Transparency Program in Ukraine, Cooperative Agreement 72012119CA00001, January 1 to December 31, 2021 (8-121-23-020-R)

This memorandum transmits the final audit report on the schedule of expenditures of Dixi Group, Energy Sector Transparency program in Ukraine, cooperative agreement 72012119CA00001, from January 1 to December 31, 2021. The auditee contracted with the independent certified public accounting firm RSM Ukraine to conduct the audit. The audit firm stated that it performed its audit in accordance with U.S. Government Auditing Standards and USAID Financial Audit Guide for Foreign Organizations. However, it did not participate in an external quality control review program and did not have a continuing education program that fully satisfies the standards' requirements. The audit firm said that Ukraine does not offer such a quality control review program. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on the auditee's schedule of expenditures; the effectiveness of its internal controls; or its compliance with the award, laws, and regulations<sup>1</sup>.

The audit objectives were to: (1) express an opinion on whether the schedule of expenditures for the period audited was presented fairly, in all material respects; (2) evaluate the auditee's internal controls; and (3) determine whether the auditee complied with the award terms and applicable laws and regulations. To answer the audit objectives, the auditors performed the subject financial audit that covered \$1,005,308 in USAID expenditures from January 1 to December 31, 2021.

The audit firm concluded that the schedule of expenditures presented fairly, in all material

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<sup>1</sup>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.

respects, program revenues and costs incurred under the award for the period audited and did not identify any questioned costs. The audit firm did not identify any material weaknesses in the internal control or any material instances of noncompliance with the award terms and applicable laws and regulations. Further, the audit firm issued a management letter.

During our desk review, we noted a minor issue which the audit firm should address in future audit reports. We presented this issue in a memo to the mission controller, dated March 29, 2023.

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").