



# OFFICE OF INSPECTOR GENERAL

## U.S. Agency for International Development

### MEMORANDUM

**DATE:** February 3, 2025

**TO:** Sheree Marshall  
Supervisory Auditor  
USAID/Management/Office of Acquisition and Assistance/Cost, Audit and Support Division/Contract Audit Management Branch

**FROM:** David A. McNeil /s/  
Director, External Financial Audits Division

**SUBJECT:** Financial Audit of USAID Resources Managed by Yayasan Project HOPE Under Multiple Awards, period ended December 31, 2023  
(3-000-25-013-R)

This memorandum transmits the final audit report on the U.S. Agency for International Development (USAID) resources managed by Yayasan Project HOPE (YPH) under multiple awards for the period ending December 31, 2023. YPH contracted with the independent certified public accounting firm Tanubrata Sutanto Fahmi Bambang & Rekan (TSFBR) to conduct the audit. TSFBR stated that it performed its audit in accordance with generally accepted government auditing standards (GAGAS). However, TSFBR did not fully satisfy continuing professional education requirements set forth in generally accepted government auditing standards and did not have an external peer review program since no such program is offered in Indonesia. TSFBR is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on YPH's fund accountability statement; the effectiveness of its internal control; 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 of USAID awards presented fairly in all material respects in relation to YPH's schedule of expenditures of USAID awards as a whole in accordance with the terms of the agreements and general accepted accounting principles; (2) evaluate YPH's internal controls; and (3) performed test to determine whether YPH complied, in all material respects, with agreement terms and applicable laws and regulations related to USAID awards. To answer the audit objectives,

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<sup>1</sup> We reviewed the audit 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 audit firm's supporting working papers; they are not designed to enable us to directly evaluate the quality of the audit performed.

TSFBR (1) performed tests on the direct and indirect cost recorded in the schedule of expenditures to ensure that expenses are allowable, allocable, reasonable, and supported under the cooperative agreement terms; (2) obtained an understanding of the accounting, administrative and internal control system of YPH; and (3) tested effectiveness of administrative controls applied by YPH management to ensure compliance with applicable laws, regulations, and terms of the cooperative agreements. TSFBR reported total USAID audited expenditures of \$796,148 for the fiscal year ended December 31, 2023.

TSFBR concluded that except for the effects of the questioned cost, the schedule of expenditures of USAID awards presents fairly, in all material respects, the revenues and expenditures incurred and reimbursement for the periods audited. TSFBR identified ineligible questioned costs of \$42,764. TSFBR did not identify any deficiencies in internal control that were considered material weaknesses. TSFBR reported seven material instances of noncompliance. TSFBR noted certain matters involving internal control and its operation that were reported to the management of YPH in a separate letter.

To address the problems identified in the report, we recommend that USAID's Office of Acquisition and Assistance Cost, Audit and Support Division/Contract Audit Management Branch:

**Recommendation 1:** Determine the allowability of the \$42,764 ineligible questioned costs on pages 25 to 37 of the audit report and recover any unallowable amount.

**Recommendation 2:** Verify that Yayasan Project HOPE corrects the seven instances of material noncompliance detailed on pages 25 to 37 of the audit report.

We ask that you provide your written notification of actions planned or taken to reach a management decision.

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.<sup>2</sup>

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<sup>2</sup> 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](mailto:oignotice_ndaa5274@usaid.gov).