



# OFFICE OF INSPECTOR GENERAL

## U.S. Agency for International Development

### MEMORANDUM

**DATE:** May 18, 2025

**TO:** USAID/Ukraine Acting Mission Director, Julie Nenon

**FROM:** Middle East and Eastern Europe Regional Office, Audit Director, Louis Duncan Jr./s/

**SUBJECT:** Audit of the Schedule of Expenditures of All-Ukrainian Network of People Living with HIV/AIDS-100 Percent Life, Under Multiple Awards in Ukraine, January 1 to December 31, 2023 (8-121-25-014-R)

This memorandum transmits the final audit report on All-Ukrainian Network of People Living with HIV/AIDS-100 Percent Life, incurred costs under the following awards:

Award Name (Type)	Award Number	Period	Sub-implementer
HealthLink: Accelerating Ukraine's Efforts to End HIV (cooperative agreement)	AID-121-A-17-00003	January 1, 2023, to December 31, 2023	n/a
Supporting eHealth Infrastructure Development in Ukraine (cooperative agreement)	72012118CA00002	January 1, 2023, to December 31, 2023	n/a

The auditee contracted with the independent audit firm, Deloitte & Touche USC, to conduct the audit. The audit firm stated it performed its audit in accordance with the United States Generally Accepted Government Auditing Standards and USAID financial audit guide for foreign organizations. However, the audit firm did not have an external quality control review by an unaffiliated audit organization since no such program is offered by professional organizations in Ukraine. 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 awards, laws, and regulations.<sup>1</sup>

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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.

The audit objectives were mainly 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 awards terms and applicable laws and regulations. To answer the audit objectives, the audit firm performed the subject financial audit that covered total expenditures of \$4,893,468 for the period from January 1 to December 31, 2023.

The audit firm concluded that the schedule of expenditures of the audited awards presented fairly, in all material respects, program revenues and costs incurred under the awards for the period audited. The audit firm identified \$13,545 of ineligible questioned costs. Since the identified questioned costs did not meet the OIG's established threshold of \$25,000 for making a recommendation, we are not making a recommendation. Nevertheless, we suggest that USAID/Ukraine determine the allowability of the \$13,545 in questioned costs and recover any amount determined to be unallowable. The audit firm did not identify any material instances of noncompliance, or any material weaknesses in internal control. Further, the audit firm issued a management letter.

During our desk review, we noted areas for improvement which the audit firm should address in future audit reports. We presented these deficiencies in a memo to the controller, dated May 18, 2025.

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"). 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 [oinotice\\_ndaa5274@usaid.gov](mailto:oinotice_ndaa5274@usaid.gov).