



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

### MEMORANDUM

**DATE:** June 25, 2025

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

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

**SUBJECT:** Audit of Internews Ukraine Under Multiple Awards, January 1 to December 31, 2023 (8-121-25-018-R)

This memorandum transmits the final audit report of Internews Ukraine's incurred costs under the following awards:

Award Name (Type)	Award Number	Period	Subimplementer
RADA Next Generation (RANG) Activity (cooperative agreement)	72012121CA00002	January 1 to December 31, 2023	n/a
The Media Program in Ukraine (subgrant agreement)	SGR-IN-UA1854-FD-163	May 15 to December 31, 2023	Internews Ukraine
The Media Program in Ukraine (cooperative agreement)	SG-R-UA1854-12	January 1 to December 31, 2023	Internews Ukraine
Strategic Communication Campaign on Law #2923-IX (fixed amount award)	G-HOVERLA-035	November 1 to December 31, 2023	Internews Ukraine
HOVER LA: Safety of the Free Campaign (fixed amount award)	G-HOVERLA-011	January 1 to December 31, 2023	Internews Ukraine

<b>Award Name (Type)</b>	<b>Award Number</b>	<b>Period</b>	<b>Subimplementer</b>
Investigating the Causal Relationship (agreement)	014USTTs04-05093/01	December 12 to December 31, 2023	Internews Ukraine

Internews Ukraine contracted with the independent audit firm Deloitte & Touche USC (Deloitte) to conduct the audit. The audit firm stated it performed its audit in accordance with U.S. Government Auditing Standards, U.S. Code of Federal Regulations Part 200, and the USAID Financial Audit Guide for Foreign Organizations. However, it did not have an external quality control review program that fully satisfy the standards' requirements. Deloitte explained that professional organizations in Ukraine do not offer such a quality control review program. Deloitte is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on the audit firm's schedule of expenditures of USAID awards; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.<sup>1</sup>

The audit objectives were to (1) audit the schedule of expenditures of USAID awards, (2) evaluate the auditee's internal controls over financial reporting, (3) determine whether the auditee complied with award terms and applicable laws and regulations, and (4) review the cost-sharing/matching contributions. To answer the audit objectives, the audit firm performed the subject financial audit that covered \$3,654,596 from January 1 to December 31, 2023.

Deloitte concluded that the schedule expenditures of USAID awards presents fairly, in all material respects, the program revenues and costs incurred under the USAID awards for the year ended December 31, 2023, except for \$497 in total ineligible questioned costs for unremitted interest income. Since the 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 the mission determine the allowability of the \$497 in questioned costs and recover any amount determined to be unallowable. Additionally, the audit firm did not identify any material weaknesses in internal control or any material instances of noncompliance. However, Deloitte noted certain immaterial instances of noncompliance that were reported to the management of Internews Ukraine in a separate letter, dated September 12, 2024.

During our desk review, we noted an area for improvement which the audit firm will need to address in future audit reports. We presented this deficiency in a memo to the controller dated June X, 2025.

<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 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 [oignotice\\_ndaa5274@usaid.gov](mailto:oignotice_ndaa5274@usaid.gov).