



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: November 1, 2022

TO: USAID/Lebanon Mission Director, Mary Eileen Devitt

FROM: USAID/OIG Middle East and Eastern Europe (ME/EE) Regional Office,
Supervisory Auditor, John Vernon /s/

SUBJECT: Audit of the Schedule of Expenditures of Berytech Foundation, Lebanon Investment Initiative Project, Cooperative Agreement 72026819CA00005, September 1, 2019 to December 31, 2020 (8-268-23-003-R)

This memorandum transmits the final audit report of the schedule of expenditures of Berytech Foundation, Lebanon Investment Initiative project, cooperative agreement 72026819CA00005, from September 1, 2019 to December 31, 2020. The auditee contracted with the independent audit firm Grant Thornton to conduct the audit. The audit firm stated that it performed its audit in accordance with the U.S. government auditing standards issued by the Comptroller General of the United States. However, it did not have an external quality control review program and a continuing education program that fully satisfies the standards' requirements. The audit firm explained that professional organizations in Lebanon do not offer such a review program. With respect to the continuing education program, the audit firm said that they could not fully comply with the U.S. government auditing related hours. 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.¹

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 \$12,094,492 from September 1, 2019 to December 31, 2020.

¹ 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 firm expressed an unmodified opinion on the schedule of expenditures and did not identify any questioned cost. 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.

During our desk review, we noted several areas for improvement which the audit firm should address in future audit reports. We presented these areas in a memo to the controller, dated November 1, 2022.

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").