



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: January 19, 2023

TO: USAID/Armenia Mission Director, John Allelo

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

SUBJECT: Audit of Schedule of Expenditures of Communities Finance Officers Association, Civic Engagement in Local Governance Project in Armenia, Cooperative Agreement AID-111-A-14-00004, January 1 to December 31, 2021 (8-111-23-010-R)

This memorandum transmits the final audit report on the schedule of expenditures of Communities Finance Officers Association, Civic Engagement in Local Governance project in Armenia, cooperative agreement AID-111-A-14-00004, from January 1 to December 31, 2021. The auditee contracted with the independent audit firm Grant Thornton, Armenia to conduct the audit. The audit firm stated that it performed its audit in accordance with Generally Accepted Government Auditing Standards issued by the Comptroller General of the United States and the USAID Financial Audit Guide for Foreign Organizations. However, it did not have an external quality control review program or a continuing education program that fully satisfies the standards' requirements. The audit firm explained that professional organizations in Armenia do not offer such a review program. With respect to the continuing education program, the audit firm said that they could not satisfy the standards' requirements because 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 control; or its compliance with the award, 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 award terms and applicable laws and regulations. To answer the audit objectives, the audit firm performed the subject financial audit that covered \$798,129, from January 1 to December 31, 2021.

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 concluded the schedule of expenditures of USAID awards presented fairly, in all material respects, program revenues and costs incurred under the award for the period audited. The audit firm identified no questioned costs; no material weaknesses in internal control; and no instances of material noncompliance.

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").