



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: August 27, 2023

TO: USAID/Lebanon Mission Director, Mary Eileen Devitt

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

SUBJECT: Audit of the Schedule of Expenditures of Rene Moawad Foundation Under Multiple Awards in Lebanon, January 1 to December 31, 2020 (8-268-23-026-R)

This memorandum transmits the final audit report on Rene Moawad Foundation costs under the following awards:

Award Name (Type)	Award Number	Period	Sub-implementer
Building Alliance for Local Advancement, Development, and Investment Project (Cooperative Agreement)	AID-268-A-12-00004	January 1 to December 31, 2020	n/a
Municipal Organizational Development and Financial Management, Strategic Planning Capacity Building program (Sub-award)	605100.06.RFA 8.001	January 1 to November 31, 2020	Rene Moawad Foundation
Promoting Sustainable Livelihoods Activity (Cooperative Agreement)	72026820CA0 0002	September 17 to December 31, 2020	n/a

Rene Moawad Foundation contracted with the independent audit firm Grant Thornton to conduct the audit. The audit firm stated it performed its audit in accordance with U.S. Government Auditing Standards issued by the Comptroller General of the United States. However, it did not participate in an external quality control review program and did not have a continuing education program that fully satisfies the standards' requirements. The audit firm noted that Lebanon does not offer an external quality control review program. With respect to the continuing education program, the audit firm stated that they could not satisfy the standards' requirements because they could not fully obtain 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 terms, laws, and regulations.¹

The audit objectives were 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 \$3,988,073 from January 1 to December 31, 2020.

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

During our desk review, we noted an area for improvement which the audit firm should address in future audit reports. We presented this deficiency in a memo to the controller, dated August 27, 2023.

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.²

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.

² 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.