



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: May 10, 2024

TO: USAID/Armenia, Mission Director, John Allelo

FROM: Middle East and Eastern Europe Regional Office, David Clark /s/

SUBJECT: Closeout Audit of the Schedule of Expenditures of Eurasia Partnership Foundation Under Multiple Awards in Armenia, January 1 to August 31, 2022 (8-111-24-014-R)

This memorandum transmits the final audit report on the Eurasia Partnership Foundation costs under the following awards:

Award Name (Type)	Award Number	Period	Sub-implementer
Data for Accountable and Transparent Action (Cooperative Agreement)	72011120CA00002	January 1 to August 31, 2022 (close out)	Not disclosed
Civic Engagement in Local Governance (Subgrant)	AID 14-1001	January 1 to February 28, 2022	Eurasia Partnership Foundation

The auditee contracted with the independent audit firm Grant Thornton CJSC to conduct the audit. The audit firm stated that it performed its audit in accordance with U.S. Generally Accepted Government Auditing Standards and the USAID Financial Audit Guide for Foreign Organizations. However, it did not have external quality control review or continuing professional education programs that fully satisfy the standards' requirements. The audit firm reported that professional organizations in Armenia does not offer an external quality control 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 regulations¹.

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 agreements' terms and applicable laws and regulations. To answer the audit objectives, the audit firm performed the subject financial audit that covered \$992,053 for the period from January 1 to August 31, 2022.

The audit firm concluded that the schedule of expenditures presented fairly, in all material respects, program revenues and costs incurred under the awards for the period audited. The audit firm did not identify any questioned costs, or any material internal control weaknesses. The audit firm identified one material instance of noncompliance. 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 10, 2024.

To address the issue identified in the report, we recommend that USAID/Armenia:

Recommendation I. Verify that Eurasia Partnership Foundation corrects the instance of material noncompliance detailed on pages 20 to 21 of the audit report.

We ask that you provide your written notification of actions planned or taken to reach management decision.

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 oinotice_ndaa5274@usaid.gov.