



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: June 3, 2024

TO: USAID/Egypt, Mission Director, Sean Jones

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

SUBJECT: Closeout Audit of the Schedule of Expenditures of Finance and Banking
Consultants International, Sustainable Services Activity Project in Egypt,
Cooperative Agreement 72026320CA00005, January 1, 2022, to June 30, 2023
(8-263-24-015-R)

This memorandum transmits the final audit report on the closeout audit of the schedule of expenditures of Finance and Banking Consultants International, Sustainable Services Activity project in Egypt, cooperative agreement 72026320CA00005, from January 1, 2022, to June 30, 2023. Finance and Banking Consultants International contracted with the independent audit firm Rizk Wadid Rizkalla to conduct the audit. The audit firm stated that it performed its audit in accordance with U.S. government Auditing Standards. However, it did not have an external quality control review program that fully satisfy the standards' requirements. The audit firm explained that professional organizations in Egypt do not offer such a quality control review program. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on audit firm's schedule of expenditures of USAID awards; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.¹

The audit objectives were to (1) express an opinion on whether the schedule of expenditures of USAID award 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 award terms and applicable laws and regulations. To answer the audit objectives, the audit

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.

firm performed the subject financial audit that covered \$1,934,721 from January 1, 2022, to June 30, 2023.

The audit firm concluded that the schedule of expenditures of USAID awards presented fairly, in all material respects, program revenues, costs incurred and reimbursed, and commodities and technical assistance directly procured by USAID for the audited period and did not include questioned costs. Additionally, the audit firm did not identify any material weaknesses in internal control, or any material instances of noncompliance with the award terms, applicable rules, and regulations.

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 June 3, 2024.

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

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.