



MEMORANDUM

DATE: March 26, 2018

TO: Acting USAID/Georgia Mission Director, Thomas Morris

FROM: Regional Inspector General/Frankfurt, James C. Charlifue /s/

SUBJECT: Fund Accountability Statement Audit of Coalition for Independent Living Under Multiple Awards in Georgia, for the Year Ended December 31, 2013 (8-114-18-037-R)

This memorandum transmits the final audit report on Coalition for Independent Living's incurred costs under the following awards:

Award Name (Type)	Award Number	Period	Subimplementer
Disability Advocacy Project (cooperative agreement)	AID-114-A-12-00004	January 1, 2013-December 31, 2013	N/A
Protecting the Voting Rights of Persons with Disabilities)	AID-114-LA-10-00003	January 1, 2013-November 18, 2013	Coalition for Independent Living
Strengthening Democratic Processes with Participation of Persons with Disabilities	AID-114-A-10-00005	January 1, 2013-November 30, 2013	Coalition for Independent Living

Coalition for Independent Living contracted with the independent certified public accounting firm Grant Thornton LLC to conduct the audit. The contract required the

audit firm to perform the audit in accordance with generally accepted government auditing standards and the USAID OIG Guidelines for Financial Audits Contracted by Foreign Recipients.¹

The audit firm states it performed its audit in accordance with generally accepted government auditing standards except that 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 says that Georgia does not offer such a review program. With respect to the continuing education program, the audit firm says 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 fund accountability statement; the effectiveness of its internal control; or its compliance with the award, laws, and regulations²

The audit objectives were mainly to: (1) express an opinion on whether the fund accountability statement for the year ended December 31, 2013, was presented fairly, in all material respects; (2) evaluate Coalition for Independent Living's internal controls; and (3) determine whether Coalition for Independent Living complied with the award terms and applicable laws and regulations. To answer the audit objectives, the auditors performed the subject financial audit that covered \$270,894 in expenditures for the year ended December 31, 2013.

The auditors expressed a modified opinion on the fund accountability statement and identified \$ 2,324 of ineligible questioned costs. The auditors identified two material internal control weaknesses related to inaccurate preparation of projects financial reports and inconsistency in foreign exchange rates usage. The auditors identified one material instance of noncompliance with expenses allocation requirements. The auditor confirmed that Coalition for Independent Living has taken corrective actions regarding the material internal control weaknesses and the material noncompliance finding.

To address the issues identified in the report, we recommend that USAID/Georgia:

Recommendation I: Determine the allowability, and collect as appropriate, \$ 2,324 in

¹ On June 30, 2017, USAID OIG rescinded its Guidelines for Financial Audits Contracted by Foreign Recipients, recognizing the Agency's role to impose requirements on its implementing partners and contractors as a management function. This contracted audit, however, was initiated before that date and follows the Guidelines.

² 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.

questioned ineligible costs, as detailed on page 25 of Grant Thornton report.

We ask that you provide your written notification of actions planned or taken to reach management decision. We appreciate the assistance extended to audit staff during the engagement.

The 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").

Enclosed: a/s