



Office of Inspector General

MEMORANDUM

DATE: March 25, 2019

TO: USAID/Georgia Mission Director, Peter Wiebler

FROM: USAID OIG Middle East and Eastern Europe (ME/EE) USDH NFA Coordinator, Abdoulaye Gueye /s/

SUBJECT: Financial Audit of USAID Resources Managed by Coalition for Independent Living Under Multiple Awards in Georgia, September 28 to December 31, 2012 (8-114-19-043-R)

This memorandum transmits the final financial audit report of USAID resources managed by Coalition for Independent Living under the following awards:

Award Name (Type)	Award Number	Period	Subimplementer
Disability Advocacy Project (Cooperative Agreement)	AID-114-A-12-00004	Sep 28, 2012- Sep 27, 2014	
Strengthening Democratic and Electoral Processes in Georgia With Participation of Persons With Disabilities (Sub award)	S-12-163	July 1, 2012- Jan 31, 2013	
Strengthening Democratic Processes with Participation of Persons with Disabilities (subgrant agreement)	752 12 210 3016 20	Jun 1, 2012- Nov 30, 2013	

The auditee contracted with the independent certified public accounting firm of Grant Thornton LLC to conduct the audit.

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 auditor's 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 awards, laws, and regulations.¹

The audit objectives were mainly to: (1) express an opinion on whether the fund accountability statement for the period from September 28 to December 31, 2012 was fairly presented, in all material respects; (2) evaluate the auditee's internal controls; and (3) determine whether the auditee complied with awards terms and applicable laws and regulations. To answer the audit objectives, the auditors performed the subject financial audit that covered \$36,331 for the period from September 28 to December 31, 2012.

The auditors expressed a modified opinion on the fund accountability statement and identified \$ 1,039 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 said 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 No. 1: Determine the allowability, and collect as appropriate, \$ 1,039 in questioned ineligible costs, as detailed on pages 24 and 25 of Grant Thornton LLC report.

We ask that you provide your written notification of actions planned or taken to reach a management decision. We appreciate the assistance extended to the 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").

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.