



MEMORANDUM

DATE: July 30, 2019

TO: USAID/Armenia Mission Director, Deborah Grieser

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

SUBJECT: Audit of the Fund Accountability Statement of Media Initiatives Center NGO
Under Multiple Awards in Armenia, Year Ended December 31, 2015
(8-111-19-099-R)

This memorandum transmits the final report of the fund accountability statement audit of Media Initiatives Center NGO under the following awards:

Award Name (Type)	Award Number	Period	Subimplementer
Media for Informed Civic Engagement (Cooperative Agreement)	AID-111-A-14-00005	Sep 16, 2014- Sep 15, 2019	
CSO DePo: CSO Development Program (Sub-grant agreement)	N Y 141002	June 6, 2014- June 5, 2016	

The auditee contracted with the independent certified public accounting firm of "BDO Armenia" CJSC to conduct the audit. The contract required the audit firm to perform the audit in accordance with generally accepted government auditing standards.

The audit firm stated that it performed the audit in accordance with generally accepted government auditing standards except for not participating in an external quality control review program and not having a continuing education program that fully satisfies the standards' requirements. The audit firm explained that Armenia 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 regulations¹.

The audit objectives were mainly to: (1) express an opinion on whether the fund accountability statement for the year ended December 31, 2015 was fairly presented, in all material respects; (2) evaluate the auditee's internal controls; and (3) determine whether the auditee complied with agreements terms and applicable laws and regulations. To answer the audit objectives, the auditors performed the subject financial audit that covered \$526,208 for the year ended December 31, 2015.

The auditors expressed an unmodified opinion on the fund accountability statement, and did not identify any questioned costs. The auditors also did not identify any material internal control weaknesses or any material instances of noncompliance with the agreements terms and applicable laws and regulations. During our desk review, we noted one minor issue which the audit firm will need to address in future audit reports. We presented this issue in a memo to the controller, dated July 30, 2019.

The report does not contain any recommendations for your action.

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.