



MEMORANDUM

DATE: October 21, 2019

TO: USAID/Armenia Mission Director, Deborah Grieser

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

SUBJECT: Audit of the Fund Accountability Statement of Mission Armenia Charitable Non-Governmental Organization, Support to Social Sector Reforms Project in Armenia, Cooperative Agreement AID-111-A-15-00003, for the Year Ended December 31, 2015 (8-111-20-007-R)

This memorandum transmits the final audit report on the fund accountability statement of Mission Armenia Charitable Non-Governmental Organization, Support to Social Sector Reforms Project in Armenia, cooperative agreement AID-111-A-15-00003, for the year ended December 31, 2015. The auditee contracted with the independent certified public accounting firm Grant Thornton, Armenia to conduct the audit. The audit firm stated that it performed its audit in accordance with generally accepted government auditing standards and the OIG guidelines¹. However, it did not have an external quality control review program and 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 stated 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 controls; or its compliance with the award, laws, and regulations.²

The audit objectives were mainly to: (1) express an opinion on whether the fund accountability statement 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 award

¹ On June 30, 2017, USAID OIG rescinded its "Guidelines for Financial Audits Contracted by Foreign Recipients," recognizing the Agency's role to impose requirements on its implementing partners and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.

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.

terms and applicable laws and regulations. To answer the audit objectives, the audit firm performed the subject financial audit that covered \$504,849, 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 audit firm did not identify any material internal control weaknesses or any material instance of noncompliance.

The report does not contain any recommendations for your action.

We appreciate the assistance extended during the engagement.

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").