



Office of Inspector General

MEMORANDUM

DATE: February 20, 2020

TO: USAID/Armenia Mission Director, Deborah Grieser

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

SUBJECT: Audit of the Fund Accountability Statement of Eurasia Partnership Foundation,
Under Multiple Awards in Armenia, for the Year Ended December 31, 2018
(8-111-20-042-R)

This memorandum transmits the final audit report on Eurasia Partnership Foundation's incurred costs under the following awards:

Award Name (Type)	Award Number	Period	Sub implementer
Civil Society Organizations Development Program (cooperative agreement)	AID-111-A-14-00002	June 6, 2014 - November 30, 2019	n/a
Media for Informed Civic Engagement (sub grant agreement)	MICE/MIC-EPF-01	October 27, 2014 - September 30, 2019	Eurasia Partnership Foundation
Civil Engagement in Local Governance (sub grant agreement)	AID-14-1001	October 15, 2014 - September 30, 2019	Eurasia Partnership Foundation

The auditee contracted with the independent certified public accounting firm Grant Thornton CJSC to conduct the audit. The audit firm stated that it performed its audit in accordance with U.S. Government Auditing Standards issued by the Comptroller General of the United States, and

USAID Office of Inspector General Guidelines for Financial Audits Contracted by Foreign Recipients.¹ However, it did not have an external quality control review program and 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 say 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; (3) determine whether the auditee complied with the award terms and applicable laws and regulations. To answer the audit objectives, the audit firm performed the subject financial audit that covered \$971,302, for the year ended December 31, 2018.

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 instances of noncompliance with the agreement terms, conditions and applicable laws and regulations.

During our desk review, we noted minor issues which the audit firm will need to address in future audit reports. We presented these issues in a letter to the controller dated February 20, 2020.

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 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.