



Office of Inspector General

MEMORANDUM

DATE: November 23, 2020

TO: USAID/Armenia Acting Mission Director, David Hoffman

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, January 1, 2019, to December 31, 2019 (8-111-21-005-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	January 1, 2019- November 30, 2019	n/a
Media for Informed Civic Engagement (sub grant agreement)	MICE/MIC-EPF-01	January 1, 2019- December 31, 2019	Eurasia Partnership Foundation
Civic Engagement in Local Governance (sub grant agreement)	AID-14-1001	January 1, 2019- December 31, 2019	Eurasia Partnership Foundation

The auditee contracted with the independent certified public accounting firm Baker Tilly Armenia 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. 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 the current program provides for at least 48 hours of continuing education and training every two years. 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.¹

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 terms and applicable laws and regulations. To answer the audit objectives, the audit firm performed the subject financial audit that covered \$872,140, from January 1, 2019, to December 31, 2019.

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. The audit firm issued a management letter.

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 November 23, 2020.

The report does not contain any recommendations for your action.

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.