



MEMORANDUM

DATE: March 4, 2021

TO: USAID/Egypt Mission Director, Leslie Reed

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

SUBJECT: Audit of the Fund Accountability Statement of Cultivating New Frontiers in Agriculture, Egypt Food Security and Agribusiness Support Project, Cooperative Agreement AID-263-A-15-00022, July 1, 2015 to June 30, 2018 (8-263-21-015-N)

This memorandum transmits the final audit report on the fund accountability statement of Cultivating New Frontiers in Agriculture, Egypt Food Security and Agribusiness Support project, cooperative agreement AID-263-A-15-00022, from July 1, 2015 to June 30, 2018. USAID/Egypt contracted with the independent certified public accounting firm Grant Thornton, Mohamed Hilal to conduct the audit. The audit firm stated that it performed the audit in accordance with U.S. Government Auditing Standards issued by the Comptroller General of the United States. However, it did not participate in an external quality control review program because Egypt does not offer such a review program. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on the auditee's fund accountability statement, internal control effectiveness, 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 fairly presented, in all material respects; (2) evaluate the auditee's internal controls; and (3) determine whether the auditee complied with applicable

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.

laws and regulations. To answer the audit objectives, the audit firm performed the subject financial audit that covered \$2,261,943 from July 1, 2015 to June 30, 2018.

The auditors expressed a qualified opinion on the fund accountability statement and identified \$283 ineligible questioned costs. The auditors did not identify any material internal control weaknesses or any material instances of noncompliance with applicable laws and regulations. Since the questioned costs did not meet the OIG's established threshold of \$25,000 for making a recommendation, we are not making a recommendation. Nevertheless, we suggest that USAID/Egypt determine the allowability of the \$283 in questioned costs and recover any amount determined to be unallowable. The audit firm issued a management letter. The report included personally identifiable information on page 2 in the background section.

During our desk review, we noted minor issues which the audit firm will need to address in future audit reports. We presented this issue in a memo to the controller, dated March 4, 2021.

The report does not include 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").