



MEMORANDUM

DATE: September 21, 2021

TO: USAID/Central Asia Regional Director, Lawrence Hardy II

FROM: USAID OIG Asia Regional Office USDH NFA Coordinator, James C. Charlifue /s/

SUBJECT: Financial Audit of the Association for Civil Society Development in the Republic of Kazakhstan Under Multiple Awards, January 1 to December 31, 2019 (5-176-21-037-R)

This memorandum transmits the final audit report on the following multiple awards managed by the Association for Civil Society Development in the Republic of Kazakhstan (ARGO):

Award Name	Award Number	Period	Award Type
Partnership for Innovations Program	AID-176-A-16-00001	January 1 - December 31, 2019	Cooperative agreement
Civil Society Innovation Initiative Program	1139-18-04545	January 1 - February 28, 2019 (Closeout)	Tides Center subagreement
Civil Society Innovation Initiative Program	1139-18-04703	January 1 - December 31, 2019	Tides Center subagreement
Innovation for Change Global Initiative	1139-19-04972	May 31 – November 30, 2019 (Closeout)	Tides Center subagreement

ARGO contracted with the independent certified public accounting firm of GRF CPAs & Advisors to conduct the audit. The audit firm stated that it performed its audit in accordance with generally accepted government auditing standards and the USAID Financial Audit Guide for Foreign Organizations. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on ARGO's fund accountability

statement (FAS); the effectiveness of its internal control; or its compliance with the award, laws, and regulations.¹

The audit objectives were to (1) express an opinion on whether ARGO's FAS for the periods audited was presented fairly, in all material respects; (2) evaluate ARGO's internal controls; (3) determine whether ARGO complied with agreement terms and applicable laws and regulations (including cost-sharing contributions); and (4) determine whether ARGO had taken adequate corrective actions on prior audit report recommendations. To answer the audit objectives, the audit firm examined the FAS and its supporting documents; evaluated ARGO's internal control system and assessed all related risks; tested compliance with agreement terms and applicable laws and regulations; and reviewed the status of prior period findings and recommendations. The audit firm reported that the four awards did not require ARGO to provide cost-sharing. The audit covered project revenues and costs of \$2,003,437 and \$1,863,036, respectively, from January 1 to December 31, 2019.

The audit firm concluded that the FAS presented fairly, in all material respects, project revenues and costs incurred under the agreements for the periods audited. The audit firm did not identify any questioned costs, material weaknesses in internal control, or material instances of noncompliance. Regarding the two subawards that ended during the audit period, the audit firm reported that (1) there were no assets with a fair market value exceeding \$5,000 that need to be reported, and (2) in Subaward I139-19-04972, the unliquidated advances to ARGO and pending reimbursements by Tides Center totaled \$3,913. Finally, the audit firm reported that prior audit recommendations were addressed.

There are several issues that the mission and the audit firm will need to address in future audit reports. We discussed these issues in a memorandum to the controller dated September 21, 2021.

The report does not include any recommendations.

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").

Attachment: a/s

¹ We reviewed the audit 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 audit firm's supporting working papers; they are not designed to enable us to directly evaluate the quality of the audit performed.