



MEMORANDUM

DATE: September 23, 2021

TO: USAID/Georgia Mission Director, Peter Wiebler

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

SUBJECT: Audit of the Fund Accountability Statement of NNLE United Nations Association of Georgia, Under Multiple Awards, January 1 to December 31, 2019 (8-114-21-028-R)

This memorandum transmits the final audit report on the fund accountability statement of NNLE United Nations Association of Georgia, under the following awards:

Award Name (Type)	Award Number	Period	Sub-implementer
Promoting Integration, Tolerance and Awareness Program in Georgia (Cooperative agreement)	AID-114-A-15-00005	January 1 to December 31, 2019	N/A
Civil.ge (Grant) ¹	2018-1202	January 1 to December 31, 2019	NNLE United Nations Association of Georgia

The auditee contracted with the independent certified public accounting firm AG International Consulting to conduct the audit. The audit firm stated that it performed the audit in accordance with U.S. Government auditing standards. However, it did not have an external quality control review program and a continuing education program that fully satisfies the standards'

¹ U.S. Department of State funded award.

requirements. The audit firm explained that Georgia 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; the effectiveness of its internal controls; or its compliance with the awards, 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 awards terms and applicable laws and regulations. To answer the audit objectives, the audit firm performed the subject financial audit that covered \$953,774 from January 1 to December 31, 2019.

The auditors expressed an unmodified opinion on the fund accountability statement and questioned \$333 of ineligible costs. The audit firm said that NNLE United Nations Association of Georgia subsequently refunded the questioned costs to USAID. The audit firm said that it 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 its future audit reports. We presented these issues in a letter to the controller dated September 23, 2021.

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").

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.