



## OFFICE OF INSPECTOR GENERAL U.S. Agency for International Development

### MEMORANDUM

**DATE:** January 6, 2023

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

**FROM:** USAID OIG Deputy Assistant Inspector General for Audit, Christine M. Byrne /s/

**SUBJECT:** Financial Audit of Enhancing Employability and Civic Engagement of Youth Program in Kyrgyz Republic Managed by Kyrgyzstan Mountain Societies Development Support Programme, Award AID-176-A-17-00002, January 1, 2020 through December 31, 2021 (5-176-23-003-R)

This memorandum transmits the final audit report on schedule of expenditures of USAID awards of the Enhancing Employability and Civic Engagement of Youth in Kyrgyz Republic managed by the Public Foundation Kyrgyzstan Mountain Societies Development Support Programme (MSDSP). MSDSP contracted with the independent audit firm Grant Thornton LLC to conduct the audit. The audit firm stated that it performed its audit in accordance with generally accepted government auditing standards. However, it did not fully comply with the requirements on continuing professional education program and external quality control reviews. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on MSDSP's schedule of expenditures of USAID awards, the effectiveness of its internal control, or its compliance with the award, laws, and regulations.<sup>1</sup>

The audit objectives were to (1) express an opinion on whether the schedule of expenditures for the period audited was presented fairly, in all material respects; (2) evaluate MSDSP's internal controls relevant to the program; (3) determine whether MSDSP complied with agreement terms and applicable laws and regulations, including those pertaining to cost share contributions and indirect costs; and (4) assess whether MSDSP had taken adequate corrective actions on prior-year audit recommendations. The audit covered revenues and costs incurred of \$1,189,250 and \$1,220,937, respectively, for the audited period.

The audit firm concluded that the schedule of expenditures of USAID awards presented fairly, in all material respects, program revenues and costs incurred under the award for the audited period. The audit firm did not identify any questioned costs, significant deficiencies or material weaknesses in internal control, or instances of material noncompliance. The audit firm reported

---

<sup>1</sup> We reviewed the audit firm's report for conformity with professional reporting standards. Our desk reviews are typically performed to identify any items that need clarification or issues that require management attention. Desk reviews are limited to review of the audit report itself and exclude review of the auditor's supporting working papers; they are not designed to enable us to directly evaluate the quality of the audit performed

that MSDSP resolved one of the two prior-year audit findings. The audit firm issued a management letter identifying deficiencies in internal control and an instance of immaterial noncompliance.

During our desk review, we noted two areas for improvement which the audit firm should address in future audit reports. We presented these areas in a memo to the mission controller dated January 6, 2023.

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").