



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: August 15, 2024

TO: USAID/Armenia Mission Director, John Allelo

FROM: Middle East and Eastern Europe Regional Office, Acting Audit Assistant Director, David Clark /s/

SUBJECT: Audit of the American University of Armenia Foundation Under Multiple Awards in Armenia, July 1, 2022 to June 30, 2023 (8-111-24-017-R)

This memorandum transmits the final audit report on the American University of Armenia Foundation incurred costs under the following awards:

Award Name (Type)	Award Number	Period	Sub-implementer
Najarian Center for Social Entrepreneurship: Enhancing Development and Service to Community project (sub-award)	N/A	July 1, 2022 to June 30, 2023	American University of Armenia Foundation
Support to Control COVID-19 and Other Infectious Disease Outbreaks (Cooperative Agreement)	72011120CA0003	July 1, 2022 to June 30, 2023	n/a

The auditee contracted with the independent audit firm, Grant Thornton, to conduct the audit. The audit firm stated it performed its audit in accordance with U.S. Government Auditing Standards issued by the Comptroller General of the United States and the USAID Financial Audit Guide for Foreign Organizations. The audit firm did not have an external quality control review or continuing professional education programs that fully satisfy the standards' requirements. With respect to the continuing professional education program, the audit firm stated that they could not fully obtain the U.S. Government auditing related hours. The audit firm explained that professional organizations in Armenia do not offer external quality control

review programs. 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 schedule of expenditures; the effectiveness of its internal controls; or its compliance with the awards, laws, and regulations.¹

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 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 \$2,044,261 from July 1, 2022 to June 30, 2023.

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 awards for the period audited and did not identify questioned costs. The audit firm did not identify any material weaknesses in internal control or any instances of material noncompliance.

During our desk review, we noted an area for improvement which the audit firm should address in future audit reports. We presented this deficiency in a memo to the controller, dated August 15, 2024.

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"). In addition, USAID OIG has determined that this transmittal memo and the enclosed report are not subject to notification and reporting requirements under Section 5274 of the National Defense Authorization Act.²

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.

² The James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 Pub. L. No. 117-263, § 5274. Please direct related inquiries to oignotice_ndaa5274@usaid.gov.