



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: November 4, 2024

TO: USAID/Georgia Mission Director, John A. Pennell

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

SUBJECT: Audit of the Schedule of Expenditures of NNLE United Nations Association of Georgia Under Multiple Awards in Georgia, January 1, 2022 to December 31, 2022 (8-114-25-005-R)

This memorandum transmits the final audit report on NNLE United Nations Association of Georgia (UNAG) incurred costs under the following awards:

Award Name (Type)	Award Number	Period	Sub-implementer
USAID Unity Through Diversity Program (cooperative agreement)	72011422CA00003	July 22, 2022 to December 31, 2022	n/a
Supporting Independent Georgian Media (subgrant State Department fund)	2021-11647	January 1, 2021 to December 31, 2022	UNAG

The auditee contracted with the independent audit firm, AG International Consulting to conduct the audit. The audit firm stated it performed its audit in accordance with the United States Generally Accepted Government Auditing Standards. However, the audit firm did not have an external quality control review or continuing professional education program that fully satisfy the standards' requirements. 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

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.

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 total expenditures of \$1,056,445 for the period from January 1, 2022 to December 31, 2022. Out of the \$1,056,445 of total expenditures, \$961,158 pertained to USAID awards.

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

During our desk review, we noted areas for improvement which the audit firm should address in future audit reports. We presented these deficiencies in a memo to the controller, dated November 4, 2024.

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"). 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

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.