



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

MEMORANDUM

DATE: March 27, 2025

TO: USAID/Lebanon, Mission Director, Julie Southfield

FROM: Middle East and Eastern Europe Regional Office, Audit Director, Louis Duncan Jr. /s/

SUBJECT: Audit of the Schedule of Expenditures of Berytech Foundation Under Cooperative Agreement 72026819CA00005, Lebanon MENA Investment Initiative Project, January 1 to December 31, 2023(8-268-25-013-R)

This memorandum transmits the final audit report of the schedule of expenditures of Berytech foundation under cooperative agreement number 72026819CA00005, Lebanon MENA Investment Initiative project, from January 1, 2023, to December 31, 2023. Berytech foundation 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. Generally Accepted Government Auditing Standards, International Standards on Auditing, and USAID Financial Audit Guide for Foreign Organizations. However, it did not have external quality control review or continuing education programs that fully satisfy the standards' requirements. The audit firm explained that professional organizations in Lebanon do not offer such a quality control review program. With respect to the continuing professional education program, the audit firm said that they could not fully comply with the U.S. Government auditing related hours requirements. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on auditee's schedule of expenditures of USAID awards; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.¹

The audit objectives were mainly to: (1) express an opinion on whether the schedule of expenditures of the USAID award 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 award's terms and applicable laws and regulations. To answer the audit objectives, the audit firm performed the subject financial audit that covered \$4,040,185, from January 1, 2023, to December 31, 2023.

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.

The audit firm concluded that the schedule of expenditures of the USAID award presented fairly, in all material respects, program revenues, costs incurred and reimbursed, and commodities and technical assistance directly procured by USAID for the audited period and did not question any costs. The audit firm did not identify any material weaknesses in internal control or any material instances of noncompliance with the award terms and applicable laws and regulations. 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 March 27, 2025.

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 oinotice_ndaa5274@usaid.gov.