



Office of Inspector General

MEMORANDUM

DATE: July 21, 2025

TO: USAID/Armenia, Mission Director, Theodora Dell

FROM: Middle East and Eastern Europe Regional Office, Acting Audit Director, Esther Park /s/

SUBJECT: Financial Audit of Center for Agribusiness and Rural Development Foundation, Rural Economic Development - New Economic Opportunities Project in Armenia, Cooperative Agreement 72011119CA00001, January 1 to December 31, 2023 (8-111-25-020-R)

This memorandum transmits the final audit report on the statement of expenditures of Center for Agribusiness and Rural Development Foundation, Rural Economic Development - New Economic Opportunities project in Armenia, cooperative agreement 72011119CA00001, from January 1 to December 31, 2023. Center for Agribusiness and Rural Development Foundation contracted with the independent accounting firm Grant Thornton CJSC, Armenia to conduct the audit. The audit firm stated that it performed its audit in accordance with U.S. Government Auditing Standards. However, it did not have external quality control review or continuing professional education programs that fully satisfy the standards' requirements. The audit firm explained that professional organizations in Armenia do not offer such a review program. With respect to the continuing professional education program, the audit firm said that they could not fully comply with requirements to obtain U.S. Government auditing related hours. 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 statement of expenditures; the effectiveness of its internal control; or its compliance with the award's terms and applicable laws and regulations.¹

The audit objectives were mainly to: (1) express an opinion on whether the statement 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 award terms and applicable laws and regulations. To answer the audit objectives, the audit firm performed the subject financial audit that covered \$1,731,331 for the period 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 presented fairly, in all material respects, program revenues and costs incurred for the period audited. The audit firm did not identify any questioned costs; 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 areas for improvement which the audit firm will need to address in future audit reports. We presented these issues in a letter to the controller dated July 21, 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