



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: July 16, 2025

TO: USAID/Lebanon Mission Director, Julie Southfield

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

SUBJECT: Audit of the Schedule of Expenditures of Rene Moawad Foundation, Under Multiple Awards in Lebanon January 1 to December 31, 2021, (8-268-25-021-R)

This memorandum transmits the final audit report on Rene Moawad Foundation for incurred costs under the following awards:

| Award Name (Type) | Award Number | Period | Subimplementer |
|---|--------------------|---------------------------------------|----------------|
| Building Alliance for Local Advancement, Development, and Investment (cooperative agreement) | AID-268-A-12-00004 | January 1, 2021, to December 31, 2021 | n/a |
| Building Strong Partnerships to Increase Access and Mentorship on the Business Registration and Licensing Process in Lebanon Project (grant, Department of State) | S-NEAAC-18-GR-0041 | January 1, 2021, to December 31, 2021 | n/a |
| Promoting Sustainable Livelihood Activity (cooperative agreement) | 72026820CA00002 | January 1, 2021, to December 31, 2021 | 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. generally accepted government auditing standards and the USAID Financial Audit Guide for Foreign Organizations. However, the audit firm did not have an external quality control review by an unaffiliated audit organization since no such program is offered by professional organizations in Lebanon. In addition, the audit firm did not have a continuing professional education program that fully satisfies the standards' requirements, since not all auditors involved in the engagement

completed the continuing professional education requirements related to government auditing. 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 mainly to: (1) express an opinion on whether the schedule of expenditures and the general purpose financial statements 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 total expenditures of \$3,888,761 under USAID projects for the period from January 1 to December 31, 2021.

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. However, it disclaimed its opinion for the general purpose financial statements because of COVID, hyperinflation, and the existence of multiple exchange rates in Lebanon that have affected the business environment in which the auditee operated. The audit firm did not identify any questioned costs. In addition, the audit firm did not identify 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 July 16, 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

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 oinotice_ndaa5274@usaid.gov.