



## MEMORANDUM

**DATE:** May 18, 2020

**TO:** USAID/Georgia Mission Director, Peter A. Wiebler

**FROM:** USAID OIG Middle East and Eastern Europe (ME/EE) Regional Office, USDH  
NFA Coordinator, John Vernon /s/

**SUBJECT:** Audit of the Fund Accountability Statement of NNLE United Nations Association of Georgia, Promoting Integration, Tolerance and Awareness Programing Georgia, Cooperative Agreement AID-114-A-15-00005, January 1 to December 31, 2017 (8-114-20-066-R)

This memorandum transmits the final audit report of the fund accountability statement of NNLE United Nations Association of Georgia, Promoting Integration, Tolerance and Awareness Programing Georgia, cooperative agreement AID-114-A-15-00005, from January 1 to December 31, 2017. The auditee contracted with the independent certified public accounting firm AG International Consulting to conduct the audit. The audit firm stated that it performed its audit in accordance with U.S. Government Auditing Standards issued by the Comptroller General of the United States. However, it did not have an external quality control review program and a continuing education program that fully satisfies the standards' requirements. The audit firm explained that Georgia does not offer such a review program. With respect to the continuing education program, the audit firm said that they could not satisfy the standards' requirements because they could not fully obtain the 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 fund accountability statement; the effectiveness of its internal control; or its compliance with the award, laws, and regulations<sup>1</sup>.

The audit objectives were mainly to: (1) express an opinion on whether the fund accountability statement 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 award terms and applicable laws and regulations. To answer the audit objectives, the audit firm performed

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<sup>1</sup> 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 subject financial audit that covered \$969,539 for the period January 1 to December 31, 2017.

The auditors expressed a qualified opinion on the fund accountability statement and questioned \$2,498 (\$77 ineligible, and \$2,421 unsupported). The audit firm did not identify any material internal control weaknesses, or any material instances of noncompliance with the agreement terms, conditions and applicable laws and regulations. Since the questioned costs did not meet the OIG's established threshold of \$25,000 for making a recommendation, we are not making a recommendation. Nevertheless, we suggest that USAID/Georgia determine the allowability of the \$2,498 in questioned costs and recover any amounts determined to be unallowable. Further, the audit firm issued a management letter.

During our desk review, we noted minor issues which the audit firm will need to address in future audit reports. We presented these issues in a letter to the controller dated May 18, 2020.

The report does not contain any recommendations for your action.

We appreciate the assistance extended to the audit staff during the engagement.

The 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").