



Office of Inspector General

MEMORANDUM

DATE: May 8, 2019

TO: USAID/Egypt Mission Director, Sherry F. Carlin

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

SUBJECT: Closeout Financial Audit of USAID Resources Managed and Expenditures Incurred by the Ministry of Health and Population Under Supporting Egypt's National Polio Immunization Campaign Project, Grant Agreement 263-0287, Implementation Letter 2, April 1, 2015, to March 30, 2016 (8-263-19-019-N)

This memorandum transmits the final closeout financial audit report of USAID resources managed and expenditures incurred by the Ministry of Health and Population under Supporting Egypt's National Polio Immunization Campaign project, Grant Agreement 263-0287, Implementation Letter 2, from April 1, 2015, to March 30, 2016. USAID/Egypt contracted with the independent certified public accounting firm Grant Thornton Mohamed Hilal to conduct the audit. The contract required the audit firm to perform the audit in accordance with generally accepted government auditing standards.

The audit firm states it performed its audit in accordance with generally accepted government auditing standards except that it did not participate in an external quality control review program and did not have a continuing education program that fully satisfies the standards requirements.

The audit firm says that Egypt does not offer such a review program. With respect to the continuing education program, the audit firm stated 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 regulations¹

The audit objectives were mainly to: (1) express an opinion on whether the fund accountability statement for April 1, 2015, to March 30, 2016, 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 auditors performed the subject financial audit that covered \$3,552,438 in expenditures for April 1, 2015, to March 30, 2016.

The audit firm expressed a modified opinion on the fund accountability statement and identified \$125,843 in unsupported questioned costs. The audit firm did not identify any material weaknesses in internal control or material instances of noncompliance with the award terms and applicable laws and regulations. The auditors said that the Ministry of Health and Population subsequently provided the supporting documents related to the entire questioned costs and considered this finding closed.

The report does not include 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").

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.