



## MEMORANDUM

**DATE:** December 10, 2019

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

**FROM:** USAID OIG Middle East and Eastern Europe (ME/EE) Regional Office, Audit Director, David Thomanek /s/

**SUBJECT:** Audit of the Fund Accountability Statement of Local Currency Trust Fund Managed by USAID/Egypt, January 1, 2016, to June 30, 2018 (8-263-20-003-N)

This memorandum transmits the final audit report on the fund accountability statement of local currency trust fund managed by USAID/Egypt, from January 1, 2016, to June 30, 2018. USAID/Egypt contracted with the independent certified public accounting firm Grant Thornton, Mohamed Hilal to conduct the audit. The audit firm stated that it performed its audit in accordance with Generally Accepted Auditing Standards and Government Auditing Standards issued by the Comptroller General of the United States. However, it did not participate in an external quality control review program because Egypt does not offer such a review program. 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 USAID/Egypt Trust Fund's internal controls; and (3) determine whether USAID/Egypt complied with the trust fund agreements, Memorandums of Understanding applicable terms, the relevant Automated Directive Systems 627, the Mission Order, and applicable laws and regulations. To answer the audit objectives, the audit firm performed the subject financial audit that covered \$15,900,878 for the period January 1, 2016, to June 30, 2018.

The auditors expressed an unmodified opinion on the fund accountability statement and did not identify any questioned costs. The audit firm did not identify any material instances of noncompliance or any material internal control weaknesses.

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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 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”).