



MEMORANDUM

DATE: July 9, 2019

TO: USAID/Lebanon, Mission Director, Dr. Anne Patterson

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

SUBJECT: Financial Audit of Fund Accountability Statement of Rene Moawad Foundation, Under Building Alliance for Local Advancement, Development, and Investment Program in Lebanon, Cooperative Agreement AID-268-A-12-00004, October 1, 2014, to September 30, 2015 (8-268-19-086-R)

This memorandum transmits the final report on financial audit of fund accountability statement of Rene Moawad Foundation under Building Alliance for Local Advancement, Development, and Investment program in Lebanon, cooperative agreement AID-268-A-12-00004, for the period from October 1, 2014, to September 30, 2015. The auditee contracted with the independent certified public accounting firm KPMG 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 that it performed its audit in accordance with generally accepted government auditing standards, except that the audit firm did not have an external quality control review because no such program is offered by professional organizations in Lebanon; However, they participate in the KPMG's worldwide internal quality control review program, which requires their office to be subjected, every three years, to an extensive quality control review by partners and managers from other affiliate offices. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on Rene Moawad Foundation's fund accountability statement; the effectiveness of its internal

control; or its compliance with the award, laws, and regulations.¹

The audit objectives were to (1) ascertain that funds received, costs incurred and commodities and technical assistance directly procured are fairly presented in the fund accountability of the agreement; (2) evaluate and obtain sufficient understanding of the Rene Moawad Foundation's internal control structure, assess control risk and identify reportable conditions; and (3) ensure compliance in all material aspects with agreement terms and applicable laws and regulations related to the program funds. To answer the audit objectives, the audit firm performed the subject audit that covered \$2,340,803 for the period October 1, 2014, to September 30, 2015.

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

The report does not contain any recommendation for your action.

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

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.