



OFFICE OF INSPECTOR GENERAL U.S. Agency for International Development

MEMORANDUM

DATE: August 3, 2023

TO: USAID/Management/Office of Acquisition and Assistance/Cost Audit and Support Division/Contract Audit Management Branch, Maya Cole

FROM: Director of External Financial Audits Division (IG/A/EFA), David A. McNeil /s/

SUBJECT: Financial Audit Report for the Emergency Food Security Program in Syria, Agreement No. 72DFFP20GR00027 managed by Bahar Organisation, for the Year Ended May 31, 2021 (3-000-23-032-R)

This memorandum transmits the final report on the Emergency Food Security Program in Syria, Agreement No. 72DFFP20GR00027 managed by the Bahar Organisation (Bahar), for the year ended May 31, 2021. Bahar contracted with the independent certified public accounting firm Sayer Vincent LLP (Sayer) to conduct the audit. Sayer stated that it performed its audit in accordance with generally accepted government auditing standards (GAGAS) and the U.S. Agency for International Development (USAID) Financial Audit Guide for Foreign Organizations. However, it did not fully satisfy the continuing professional education requirement in GAGAS. In addition, Sayer reported it did not have an external peer review because no such program is offered by professional organizations in the United Kingdom. Sayer is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on Bahar's schedule of expenditures of USAID awards (SEA); the effectiveness of its internal control; or its compliance with the award, laws, and regulations.¹

The audit objectives were to (1) express an opinion on whether the schedule of expenditures of USAID awards for the USAID-funded programs presents fairly in all material respects in relation to Bahar's financial statements as a whole and in the revenues received, costs incurred, and assets, commodities, and technical assistance; (2) evaluate Bahar's internal control related to the USAID-funded programs; (3) determine whether Bahar complied with the awards' terms and applicable laws and regulations; and (4) determine if Bahar has taken adequate corrective actions on recommendations identified in the pre-award survey. To answer the audit objectives,

¹ We reviewed the audit 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 audit firm's supporting working papers; they are not designed to enable us to directly evaluate the quality of the audit performed.

Sayer performed audit procedures to (1) review direct and indirect costs billed to, and reimbursed, by USAID and costs incurred but pending reimbursement by USAID, identifying and quantifying any questioned costs; (2) evaluate the compliance procedures in relation to applicable laws and regulations; (3) evaluate the effectiveness of the design of internal controls relevant to detecting material non-compliance; and (4) review commodities procured by the recipient to determine whether these existed, or were used for their intended purpose in accordance with the terms of the agreements, and whether appropriate internal control procedures exist and have been placed in operation to safeguard the commodities adequately. Sayer examined the project's costs of \$1,886,683 for the audited period.

Sayer concluded that the SEA was presented fairly, in all material respects, program revenues, costs incurred and reimbursed, and commodities and technical assistance directly procured by USAID for the year then ended in accordance with the terms of the agreements and in conformity with the accrual basis of accounting. Sayer did not identify any questioned costs, material weaknesses in internal control, or material instances of noncompliance. However, Sayer issued a management letter to report certain matters involving other immaterial instances of noncompliance. Sayer reported that Bahar took corrective actions on the recommendations identified in the pre-award survey.

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

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.