



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

MEMORANDUM

DATE: June 28, 2022

TO: USAID/Armenia Mission Director, John Allelo

FROM: USAID OIG Middle East and Eastern Europe (ME/EE) Regional Office, Supervisory Auditor, John Vernon /s/

SUBJECT: Audit of the Schedule of Expenditures of American University of Armenia Foundation Under Multiple Awards in Armenia, July 1, 2020 to June 30, 2021 (8-111-22-022-R)

This memorandum transmits the final audit report of the schedule of expenditures of American University of Armenia Foundation under the following awards:

Award Name (Type)	Award Number	Period	Sub-implementer
Triangle Park: A Sustainable, Smart Living Lab Project (Sub-award)		July 1, 2020 to June 30, 2021	American University of Armenia Foundation
Enhancing Development and Service Community Project (Sub-award)		July 1, 2020 to June 30, 2021	American University of Armenia Foundation
Student Residence: Ensuring Diversity and Inclusion Project (Sub-award) (Closeout)		July 1, 2020 to March 31, 2021	American University of Armenia Foundation
Mining Policy Dialogue, Mining Data Portal, and Youth Engagement Project (Sub-grant)	N2020/24	July 1, 2020 to June 30, 2021	American University of Armenia Foundation
Support to Control COVID-19 and other Infectious Disease Outbreaks Project (Cooperative agreement)	72011120CA00003	September 28, 2020 to June 30, 2021	n/a

American University of Armenia Foundation contracted with the independent audit firm Grant Thornton CJSC 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 and the USAID Financial Audit Guide for foreign Organizations. However, 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 said that Armenia 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 schedule of expenditures; the effectiveness of its internal control; or its compliance with the awards, laws, and regulations.¹

The audit objectives were mainly to: (1) express an opinion on whether the schedule of expenditures for the period audited was presented fairly in all material respects; (2) evaluate the auditee's internal controls; and (3) determine whether auditee complied with the awards terms and applicable laws and regulations. To answer the audit objectives, the audit firm performed the subject financial audit the covered \$949,356 for the period from July 1, 2020 to June 30, 2021.

The audit firm expressed an unmodified opinion on the schedule of expenditures and concluded that it presented fairly, in all material respects, program revenues and costs incurred under the awards for the period audited and did not identify any questioned costs. The audit firm did not identify any material weaknesses in internal control or any material instances of noncompliance. The audit firm issued a management letter. During our desk review, we noted several areas of improvement which the audit firm should address in future audit reports. We presented these areas in a memo to the USAID/Armenia Controller dated June 28, 2022.

The report does not include any recommendations for your action.

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.