



MEMORANDUM

DATE: July 12, 2021

TO: USAID/Egypt Mission Director, Leslie Reed

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

SUBJECT: Audit of the Statement of Inflows and Outflows of Funds of the Dollar Separate Account, USAID/Egypt's Sector Policy Reform Program (Cash Transfer), July 1, 2018, to June 30, 2020 (8-263-21-037-N)

This memorandum transmits the final audit report on the statement of inflows and outflows of funds of the dollar separate account, USAID/Egypt's Sector Policy Reform Program (Cash Transfer), from July 1, 2018, to June 30, 2020. 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 the audit in accordance with U.S. Government Auditing Standards. However, it did not have an external quality control review program that fully satisfies the standards' requirements. The audit firm explained that Egypt does not offer an external quality control 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 controls; or its compliance with the award, laws, and regulations.¹

The audit objectives were mainly to: (1) express an opinion on whether the statement of inflows and outflows of funds of the dollar separate account for the period audited was presented fairly, in all material respects, (2) ensure that the inflows and the outflows of funds of the dollar separate account were made on a timely basis in accordance with the grant agreement and program implementation letter terms, (3) ensure that the funds earned correct interest amounts, if applicable, and (4) determine whether the outflows of funds were duly

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.

supported with letters of credit and other relevant documents. To answer the audit objectives, the audit firm performed the subject financial audit that covered \$12,976,435, from July 1, 2018, to June 30, 2020.

The auditor expressed an unmodified opinion on the statement of inflows and outflows of funds of the dollar separate account and did not identify any questioned costs. The auditor did not identify any material internal control weaknesses or any material instances of noncompliance with the agreement terms and applicable laws and regulations.

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”).