



# OFFICE OF INSPECTOR GENERAL

## U.S. Agency for International Development

### MEMORANDUM

**DATE:** December 28, 2022

**TO:** USAID/North Macedonia, Mission Director, Erik Janowsky

**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 Macedonian Civic Education Center Under Multiple Awards in North Macedonia, January 1 to December 31, 2021 (8-165-23-008-R)

This memorandum transmits the final audit report on Macedonian Civic Education Center incurred costs under the following awards:

<b>Award Name (Type)</b>	<b>Award Number</b>	<b>Period</b>	<b>Sub-implementer</b>
Youth Ethnic Integration (cooperative agreement)	AID-165-A-17-00001	January 1 to December 31, 2021	n/a
English Access Micro-Scholarship Program (cooperative agreement) <sup>1</sup>	102483.001.002.001.07 5	January 1 to December 31, 2021	Macedonian Civic Education Center
English Access Micro-Scholarship Program (cooperative agreement) <sup>2</sup>	SMK80019GR017 <sup>4</sup>	January 1 to December 31, 2021	n/a

The auditee contracted with the independent audit firm Grant Thornton DOO 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 or a

<sup>1</sup> Not funded by USAID.

<sup>2</sup> Not funded by USAID.

continuing education program that fully satisfies the standards' requirements. The audit firm explained that professional organizations in North Macedonia do not offer such a 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 schedule of expenditures; the effectiveness of its internal controls; or its compliance with the awards, laws, and regulations.<sup>3</sup>

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 the auditee complied with the agreements terms and applicable laws and regulations. To answer the audit objectives, the audit firm performed the subject financial audit that covered \$1,309,972 for the period from January 1 to December 31, 2021.

The audit firm expressed an unmodified opinion on the schedule of expenditures and did not identify any questioned costs. The audit firm did not identify any material internal control weaknesses or any material instances of noncompliance with the agreements' terms, conditions and applicable laws and regulations. The audit report included personally identifiable information (PII) under the fund accountability statement, cost sharing schedule, and the management responsibility section.

During our desk review, we noted several areas for improvement which the audit firm should address in future audit reports. We presented these areas in a memo to the controller, dated December 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").

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<sup>3</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.