



MEMORANDUM

DATE: July 29, 2019

TO: USAID/Ukraine & Belarus, Regional Mission Director, Susan K. Fritz

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

SUBJECT: Fund Accountability Statement Audit of National Association of ICT Companies Under Multiple Awards in Moldova, January 1 to December 31, 2016 (8-117-19-098-R)

This memorandum transmits the final audit report on the fund accountability statement of National Association of ICT Companies under the following awards:

Award (Type)	Name	Award Number	Period	Subimplementer
Development of Information and Communication Technology Excellence Center in Moldova (cooperative agreement)		AID-117-A-15-00002	Aug 24, 2015- Aug 23, 2018	
Increase the Number of Moldovan ICT Specialists (sub-grant)		G-FAA-001	May 16, 2016-Oct 10, 2017	
Creation of Library Robotics Clubs in Moldova (sub-grant)		02/GL/ATIC/FY/SG/2016	July 5, 2016-May 5, 2017	

The National Association of ICT Companies contracted with the independent certified public accounting firm Emergex Outsourcing LLC to conduct the audit.

The audit firm states that it performed its audit in accordance with generally accepted government auditing standards, except that 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 says that Ukraine does not offer such a review program. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on National Association of ICT Companies' fund accountability statement; 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 fund accountability statement for the period audited, was presented fairly, in all material respects; (2) evaluate National Association of ICT Companies' internal controls; and (3) determine whether National Association of ICT Companies complied with the awards terms and applicable laws and regulations. To answer the audit objectives, the audit firm performed the subject financial audit that covered \$1,490,294 for the period January 1, to December 31, 2016.

The audit firm expressed an unmodified opinion on the fund accountability statement and questioned \$2,080 representing \$424 of ineligible costs and \$1,656 of unsupported costs. The audit firm said that the entire \$1,656 of unsupported costs and \$206 out of the \$424 of ineligible costs were subsequently refunded, leaving a balance of \$218 of ineligible questioned costs. The auditors did not identify any material internal control weaknesses or any material instances of noncompliance. Since the remaining ineligible questioned costs of \$218 did not meet the OIG's established threshold of \$25,000 for making a recommendation, we are not making a recommendation. Nevertheless, we suggest that USAID/Ukraine & Belarus determine the allowability of the \$218 in questioned costs and recover any amount determined to be unallowable. Further, the auditors issued a management letter

The report does not contain any recommendations 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.