



MEMORANDUM

DATE: March 26, 2020

TO: USAID/North Macedonia Country Representative, Erik Janowsky

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

SUBJECT: Closeout Fund Accountability Statement Audit of DETRA Centar Skopje, Organizational Performance Improvement Program II in North Macedonia, Cooperative Agreement AID-165-A-14-00003, October 1, 2014 to March 31, 2017 (8-165-20-055-R)

This memorandum transmits the final closeout audit report on the fund accountability statement of DETRA Centar Skopje, Organizational Performance Improvement Program II in North Macedonia, Cooperative Agreement AID-165-A-14-00003, from October 1, 2014 to March 31, 2017. DETRA Centar Skopje contracted with the independent certified public accounting firm BDO DOO Skopje to conduct the audit. The audit firm stated that it performed its audit in accordance with the U.S. Government Auditing Standards issued by the Comptroller General of the United States. However, it did not have an external quality control review program and did not have a continuing education program that fully satisfies the standards' requirements. The auditors stated that North Macedonia 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 DETRA Centar Skopje's fund accountability statement; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.¹

The audit objectives were mainly to: (1) express an opinion on whether the fund accountability statement was fairly presented, in all material respects; (2) evaluate the auditee's internal control related to the USAID-funded program; and (3) determine whether the auditee complied with the agreement's terms and applicable laws and regulations. To answer the audit

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.

objectives, the audit firm performed the subject financial audit that covered \$747,772 for the period from October 1, 2014 to March 31, 2017.

The auditor expressed an unmodified opinion on the fund accountability statement and did not identify any questioned costs. The auditors did not identify any material internal control weaknesses or any material instances of noncompliance with the agreement terms and applicable laws and regulations. However, the auditor stated that the recipient had an outstanding fund balance received from USAID in the amount of \$16,345. Since this balance 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/North Macedonia make a determination on the \$16,345 of outstanding fund balance and recover from DETRA Centar Skopje any amounts it determines as appropriate.

The report does not include any recommendations for your action. We appreciate the assistance extended 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").