



MEMORANDUM

DATE: May 14, 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 Milieukontakt Macedonia Skopje, Municipal Climate Change Strategies Project in North Macedonia, Cooperative Agreement AID-165-A-12-00008, September 26, 2012 to February 28, 2017 (8-165-20-065-R)

This memorandum transmits the final report on the closeout fund accountability statement audit of Milieukontakt Macedonia Skopje, under the Municipal Climate Change Strategies project, cooperative agreement AID-165-A-12-00008, from September 26, 2012 to February 28, 2017. Milieukontakt Macedonia Skopje contracted with the independent certified public accounting firm BDO DOO Skopje to conduct the audit. The audit firm states that it performed the audit in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States. However, it did not have a continuing education program, and it did not participate in an external quality control review program that fully satisfies the standards' requirements. The audit firm further explained that no such program is offered by professional organizations in the Republic of North Macedonia. 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 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 project; and (3) determine whether the auditee complied with the agreement's terms and applicable laws and regulations. To answer the audit objectives,

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.

the audit firm performed the subject financial audit that covered \$2,798,727 for the period from September 26, 2012 to February 28, 2017.

The auditors expressed an unmodified opinion on 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 non-compliance.

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").