



## MEMORANDUM

**DATE:** January 12, 2021

**TO:** USAID/Moldova Mission Director, Scott Hocklander

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

**SUBJECT:** Audit of the Fund Accountability Statement of the National Association of Information and Communications Technology Companies Under Multiple Awards in Moldova, January 1 to December 31, 2019 (8-117-21-016-R)

This memorandum transmits the final audit report on National Association of Information and Communications Technology Companies incurred costs under the following awards:

<b>Award Name (Type)</b>	<b>Award Number</b>	<b>Period</b>	<b>Sub-implementer</b>
Development of Information and Communication Technology Excellence Center Project in Moldova (cooperative agreement)	AID-117-A-15-00002	January 1 to December 31, 2019	n/a
Increase the number of Moldovan Information and Communication Technology specialists by motivating youth to access IT studies and provide training opportunities designed to increase interest in engineering and technology fields as well as developing skills for future IT careers (grant)	G-FAA-001	January 1 to December 31, 2019	National Association of Information and Communications Technology Companies

The auditee contracted with the independent certified public accounting firm Emergex Outsourcing LLC to conduct the audit. The audit firm stated that it performed its audit in accordance with U.S. Government Auditing Standards issued by the Comptroller General of the United States and the OIG guidelines for Financial Audits Contracted by Foreign Recipients.<sup>1</sup> However, it did not have an external quality control review program and continuing education that fully satisfies the standards' requirements. The audit firm explained that Ukraine does not offer such a review program. The audit firm is responsible for the enclosed auditor's 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 awards, laws, and regulations<sup>2</sup>.

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 the auditee's internal controls; and (3) determine whether the auditee complied with the awards terms and applicable laws and regulations. To answer the audit objectives, the auditors performed the subject financial audit that covered \$928,846 in USAID expenditures from January 1 to December 31, 2019.

The audit firm expressed an unmodified opinion on the fund accountability statement and did not identify any questioned costs. The audit firm did not identify any material weaknesses in the internal control or any material instances of noncompliance with the awards terms and applicable laws and regulations. Further, the audit firm issued a management letter.

During our desk review, we noted minor issues which the audit firm will need to address in future audit reports. We presented these issues in a memo to the mission controller, dated January 12, 2021.

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>1</sup> On June 30, 2017, USAID OIG rescinded its "Guidelines for Financial Audits Contracted by Foreign Recipients," recognizing the Agency's role to impose requirements on its implementing partners and contractors as a management function.

<sup>2</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.