



OFFICE OF INSPECTOR GENERAL U.S. Agency for International Development

MEMORANDUM

DATE: December 14, 2021

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

FROM: USAID/OIG Middle East and Eastern Europe (ME/EE) Regional Office, Audit Director, David Thomanek /s/

SUBJECT: Audit of the Fund Accountability Statement of Macedonian Civic Education Center, Youth Ethnic Integration Project in North Macedonia, Cooperative Agreement AID-165-A-17-00001, January 1 to December 31, 2020 (8-165-22-013-R)

This memorandum transmits the final audit report of the fund accountability statement of Macedonian Civic Education Center, Youth Ethnic Integration Project in North Macedonia, cooperative agreement AID-165-A-17-00001, from January 1 to December 31, 2020. The auditee contracted with the independent certified public accounting 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 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 fund accountability statement; the effectiveness of its internal controls; 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 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 award terms and applicable laws and regulations. To answer the audit objectives, the audit firm

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.

performed the subject financial audit that covered \$947,032, from January 1 to December 31, 2020.

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 internal control weaknesses or any material instances of noncompliance with the agreement's 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 minor issues which the audit firm would need to address in future audit reports. We presented these issues in a memo to the controller dated December 14, 2021.

The report does not contain 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").