



# OFFICE OF INSPECTOR GENERAL

## U.S. Agency for International Development

### MEMORANDUM

**DATE:** December 22, 2024

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

**FROM:** Middle East and Eastern Europe Regional Office, Audit Director, Louis Duncan, Jr. /s/

**SUBJECT:** Audit of the Schedule of Expenditures of Institute for Research and Policy Analysis ROMALITICO, Skopje, Multiple Awards in North Macedonia, January 1 to December 31, 2023 (8-165-25-007-R)

This memorandum transmits the final audit report of the schedule of expenditures of Institute for Research and Policy Analysis ROMALITICO, Skopje under the following awards:

Award Name (Type)	Award Number	Period	Subimplementer
Roma Inclusion Activity Program (cooperative agreement)	72016521CA00001	Jan. 1-Dec. 31, 2023	n/a
Community Self-Reliance Activity (cooperative agreement)	72016521CA00006	Jan. 1- Dec. 31, 2023	n/a

Institute for Research and Policy Analysis ROMALITICO, Skopje contracted with the independent audit firm BDO North Macedonia to conduct the audit. The audit firm stated it performed the audit in accordance with the U.S. Government Auditing Standards. However, it did not have continuing professional education and external quality control review programs that satisfy the standards requirements. 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 statement of expenditures, the effectiveness of its internal control, or its compliance with the awards, laws, and regulations.<sup>1</sup>

The audit objectives were mainly to: (1) express an opinion on whether the schedule of expenditures 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

<sup>1</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.

awards' terms and applicable laws and regulations. To answer the audit objectives, the audit firm performed the subject financial audit that covered total expenditures of \$823,526 for the period from January 1 to December 31, 2023.

The audit firm concluded that the schedule of expenditures presented fairly, in all material respects, program revenues and costs incurred for the period audited. The audit firm identified \$5,110 of ineligible questioned costs. The auditors did not identify any material weaknesses in internal control or any material instances of noncompliance. Since the questioned costs did not meet the OIG's established threshold of \$25,000 for making recommendations, we are not making a recommendation. Nevertheless, we suggest that USAID/North Macedonia determine the allowability of the \$5,110 in questioned costs. In addition, although we are not making a recommendation for significant deficiencies noted in the report, we suggest that USAID/North Macedonia determine if the recipient addressed the issue noted. Further, the audit firm issued a management letter.

During our desk review, we noted areas for improvement which the audit firm will need to address in future audit reports. We presented these deficiencies in a memo to the controller dated December 22, 2024.

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"). In addition, USAID OIG has determined that this transmittal memo and the enclosed report are not subject to notification and reporting requirements under Section 5274 of the National Defense Authorization Act.<sup>2</sup>

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<sup>2</sup> The James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 Pub. L. No. 117-263, § 5274. Please direct related inquiries to [oignotice\\_ndaa5274@usaid.gov](mailto:oignotice_ndaa5274@usaid.gov).