



Office of Inspector General

MEMORANDUM

DATE: December 13, 2018

TO: USAID/Macedonia Country Representative, David Atteberry

FROM: Middle East/Eastern Europe Regional Office (Frankfurt), Assistant Audit Director, David Thomanek /s/

SUBJECT: Closeout Audit of Macedonian Civic Education Center “Interethnic Integration in Education Project” Cooperative Agreement AID-165-A-12-00002 and “Teacher Professional and Career Development Project” Cooperative Agreement AID-165-A-13-00001, January 1, 2016 to March 31, 2017 (8-165-19-020-R)

This memorandum transmits the final closeout audit report on the fund accountability statement of Macedonian Civic Education Center “Interethnic Integration in Education Project” Cooperative Agreement AID-165-A-12-00002 and “Teacher Professional and Career Development Project” Cooperative Agreement AID-165-A-13-00001 from January 1, 2016 to March 31, 2017. The auditee contracted with Grant Thornton, DOO, Skopje to conduct the audit. The contract required the audit firm to perform the audit in accordance with generally accepted government auditing standards and USAID OIG Guidelines for Financial Audits Contracted by Foreign Recipients.¹

The audit firm stated that it performed its audit in accordance with generally accepted government auditing standards, except that it did not participate in an external quality control review program, and did not have a continuing education program that fully satisfy the requirements of chapter 3, paragraph 3.76 of the auditing standards. The audit firm explained that no such program is offered by professional organizations in the Republic of Macedonia. The audit firm is responsible for the enclosed report and the stated conclusions expressed in it. We

¹ On June 30, 2017, USAID OIG rescinded its Guidelines for Financial Audits Contracted by Foreign Recipients, recognizing the Agency’s role to impose requirements on its implementing partners and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. This contracted audit, however, was initiated before that date and follows the Guidelines.

do not express an opinion on the auditee's fund accountability statement; the effectiveness of its internal control; or its compliance with the contract, laws, and regulations.²

The audit objectives were mainly to: (1) express an opinion on whether the audit of the fund accountability statement for the period from January 1, 2016 to March 31, 2017 was fairly presented in all material respects; (2) evaluate the Macedonian Civic Education Center internal controls; and (3) determine whether the Macedonian Civic Education Center complied with the contract terms and the applicable laws and regulations. To answer the audit objectives, the auditors performed the subject financial audit that covered \$1,650,538.41 for the period from January 1, 2016 to March 31, 2017.

The audit firm concluded that the fund accountability statement presented fairly, in all material respects, program revenues, and costs incurred under the agreement for the period audited and did not identify any questioned costs. The auditors did not identify any material internal control weakness, or any material instances of noncompliance with the agreement terms, conditions, and applicable laws and regulations.

The report does not contain any recommendations.

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").

² 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.