



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: November 16, 2022

TO: USAID/Moldova Mission Director, Scott Hocklander

FROM: USAID/OIG Middle East and Eastern Europe (ME/EE) Regional Office,
Supervisory Auditor, John Vernon /s/

SUBJECT: Audit of the Schedule of Expenditures of Promo-LEX Association Under Multiple Awards in Moldova, January 1 to December 31, 2021 (8-117-23-004-R)

This memorandum transmits the final audit report on Promo-LEX Association incurred costs under the following awards:

Award Name (Type)	Award Number	Period	Sub-implementer
Democratic Transparency and Accountability Program (DTAP) Program (Cooperative agreement) ¹	AID-117-A-16-00002	January 1 to December 31, 2021	Association for Participatory Democracy, Association of Independent Press, Academia Rockit, Reforma Art, Interact Media, and Cerere Si Oferta
Support for the civic monitoring of the Police reform in Moldova Program (grant) ²	SMD70021GR3014	May 3, 2021 to December 31, 2021	Interact Media, and Cahul 2030

The auditee contracted with the independent audit firm RSM Ukraine 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. However, it did not have an external quality control review program and a continuing education program that fully satisfies the standards' requirements. The audit firm explained that professional organizations in Ukraine

¹ Award funded by USAID.

² Grant not funded by USAID.

do not offer such a review program. With respect to the continuing education program, the audit firm said that they could not fully comply with the U.S. government auditing related hours. 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 schedule of expenditures; the effectiveness of its internal controls; or its compliance with the awards, laws, and regulations.³

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 awards terms and applicable laws and regulations. To answer the audit objectives, the audit firm performed the subject financial audit that covered \$913,363 from January 1 to December 31, 2021.

The audit firm expressed an unmodified opinion on the schedule of expenditures and did not identify any questioned cost. 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 an area for improvement which the audit firm should address in future audit reports. We presented this area in a memo to the controller, dated November 16, 2022

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").

³ 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.