



# OFFICE OF INSPECTOR GENERAL

## U.S. Agency for International Development

### MEMORANDUM

**DATE:** February 13, 2023

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

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

**SUBJECT:** Audit of the Schedule of Expenditures of the National Association of Information and Communications Technology Companies Under Multiple Awards in Moldova, January 1 to December 31, 2018 (8-117-23-013-R)

This memorandum transmits the final audit report of the schedule of expenditures of National Association of Information and Communications Technology Companies (ATIC) 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 (cooperative agreement)	AID-117-A-15-00002	Jan. 1-Dec. 31, 2018	n/a
Increase the number of Moldovan ICT specialists (grant agreement)	G-FAA-001	Jan. 1-Dec. 31, 2018	ATIC

ATIC contracted with the independent certified public accounting firm LLC Audit & Consulting Group Compass to conduct the audit. The audit firm stated that it performed its audit in accordance with Generally Accepted 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 Ukraine do not offer such a quality control review 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 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 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 USAID expenditures of \$848,943 for the period from January 1 to December 31, 2018.

The auditors concluded that except for the effects of \$1,378 of ineligible questioned costs, the schedule of expenditures presents fairly, in all material respects, program revenues, costs incurred and reimbursed, for the audit period in accordance with the terms of the agreement and in conformity with the accounting basis. Further, on pages 28 and 29 of its report, the audit firm disclosed discrepancies in the schedule of expenditures amounting to \$13,328 and unauthorized expenses in the amount of \$1,329, without reflecting these amounts as questioned costs in its schedule of expenditures. Since the sum of the questioned costs in the amount of \$1,378, the discrepancies in the amount of \$13,328, and the unauthorized expenses in the amount \$1,329 did not meet the OIG's established threshold of \$25,000 for making a recommendation, we are not making a recommendation. Nevertheless, we suggest that USAID/Moldova determine the allowability of the total \$16,035 in questioned amounts and recover any amounts determined to be unallowable. The auditors did not identify any material internal control weaknesses or material instance of noncompliance with applicable laws and regulations. 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 controller dated February 13, 2023.

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> 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.