



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: January 24, 2024

TO: USAID/Moldova, Mission Director, Jeff Bryan

FROM: Middle East and Eastern Europe Regional Office, Auditor, David Clark /s/

SUBJECT: Closeout Audit of the Schedule of Expenditures of National Association of Information and Communications Technology Companies, Under Multiple Awards in Moldova, January 1 to September 22, 2022 (8-117-24-009-R)

This memorandum transmits the final audit report on the National Association of Information and Communications Technology Companies costs under the following awards:

Award Name (Type)	Award Number	Period	Sub-implementer
Development of Information and Communication Technology Excellence Center Project (Cooperative Agreement)	AID-117-A-15-00002	January 1 to September 22, 2022	N/A
Data Protection - rights and obligations in The Republic of Moldova Project (Sub-award)	CON-G-03334	January 01 to August 30, 2022	National Association of Information and Communications Technology Companies

The auditee contracted with the independent audit firm Emergex Outsourcing LLC to conduct the audit. The audit firm stated that it performed its audit in accordance with U.S. Generally Accepted Government Auditing Standards. However, it did not have external quality control

review or continuing professional education programs that fully satisfy the standards' requirements. The audit firm said that Ukraine does not offer an external 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 schedule of expenditures; the effectiveness of its internal controls; or its compliance with the awards, laws, and regulations¹.

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 agreements' terms and applicable laws and regulations. To answer the audit objectives, the audit firm performed the subject financial audit that covered \$961,810 (out of which \$939,127 pertains to USAID) for the period from January 1 to September 22, 2022.

The audit firm concluded that the schedule of expenditures presented fairly, in all material respects, program revenues and costs incurred under the award for the period audited and identified ineligible questioned cost of \$203. The audit firm did not identify any material internal control weaknesses or any material instances of noncompliance with the awards terms, conditions and applicable laws and regulations. Since the questioned costs 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 \$203 in questioned ineligible costs and recover any amount determined to be unallowable. Further, the audit firm issued a management letter.

During our desk review, we noted several areas for improvement for improvement which the audit firm should address in future audit reports. We presented these deficiencies in a memo to the Controller, dated January 24, 2023.

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"). 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.²

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.

² The James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 Pub. L. No. 117-263, § 5274. Please direct related inquiries to oinotice_ndaa5274@usaid.gov.