



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: December 14, 2023

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

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

SUBJECT: Audit of the Schedule of Expenditures of Macedonian Civic Education Center Under Multiple Awards in North Macedonia, January 1 to September 30, 2022 (8-165-24-005-R)

This memorandum transmits the final audit report on Macedonian Civic Education Center incurred costs under the following awards:

Award Name (Type)	Award Number	Period	Sub-implementer
Youth Ethnic Integration Project (cooperative agreement)- close out.	AID-165-A-17-00001	January 1 to September 30, 2022	n/a
English Access Micro-Scholarship Program (cooperative agreement) ¹	102483.001.002.001.075	January 1 to September 30, 2022	Macedonian Civic Education Center
English Access Micro-Scholarship Program (cooperative agreement) ²	SMK80019GR0017	January 1 to September 30, 2022	n/a

The auditee contracted with the independent audit firm Grant Thornton DOO to conduct the audit. The audit firm stated that it performed the audit in accordance with U.S. 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'

¹ Not funded by USAID.

² Not funded by USAID.

requirements. The audit firm explained that professional organizations in North Macedonia do not offer such a 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 regulations.³

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 \$1,054,794, for the period from January 1 to September 30, 2022. Out of the total amount audited, \$983,365 represent USAID costs.

The audit firm concluded that the schedule of expenditures of USAID award presented fairly, in all material respects, program revenues and costs incurred under the award for the period audited and did not identify any questioned costs. 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.

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.⁴

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.

⁴ 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.