



MEMORANDUM

DATE: March 29, 2018

TO: USAID/Ukraine and Belarus Regional Mission Director, Susan Fritz

FROM: Regional Inspector General/Frankfurt, James C. Charlifue /s/

SUBJECT: Fund Accountability Statement Audit of Europejskie Radio dla Białorusi Sp. z o.o., Support to European radio for Belarus, Agreement AID-113-A-14-0002, January 1 to December 31, 2015 (8-113-18-040-R)

This memorandum transmits the final report on the fund accountability statement audit of Europejskie Radio dla Białorusi Sp. z o.o., Support to European radio for Belarus, Agreement AID-113-A-14-0002, from January 1 to December 31, 2015. The auditee contracted with the independent certified public accounting firm RSM UKRAINE to conduct the audit. The audit firm stated that the contract required them to perform the audit in accordance with generally accepted government auditing standards.

The audit firm states 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. The audit firm says that Ukraine does not offer such a 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 fund accountability statement; the effectiveness of its internal control; or its compliance with the award, laws, and regulations¹. The audit objectives were mainly to: (1) express an opinion on whether

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.

the fund accountability statement for January 1 to December 31, 2015, was presented fairly, in all material respects; (2) evaluate the auditee's internal controls; and (3) determine whether the auditee complied with the award terms and applicable laws and regulations. To answer the audit objectives, the auditors performed the subject financial audit that covered \$520,828 in expenditures for January 1 to December 31, 2015.

The audit firm expressed an unmodified opinion on the fund accountability statement and identified \$10,850 in ineligible questioned costs. The audit firm did not identify any significant deficiencies or material weaknesses in internal controls. The audit firm did not identify any material instances of noncompliance with the award terms and applicable laws and regulations.

To address the issues identified in the report, we recommend that USAID/Belarus:

Recommendation 1. Determine the allowability and collect as appropriate, \$10,850 in ineligible questioned costs as detailed on page 16 of RSM UKRAINE audit report.

We ask that you provide your written notification of actions planned or taken to reach the management decision. We appreciate the assistance extended to the audit staff during the engagement.

The 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").

Enclosed: a/s