



Office of Inspector General

MEMORANDUM

DATE: May 9, 2019

TO: USAID/Bosnia and Herzegovina Mission Director, Peter Duffy

FROM: USAID OIG Middle East and Eastern Europe (ME/EE) USDH NFA Coordinator, Abdoulaye Gueye /s/

SUBJECT: Audit of the Fund Accountability Statement of Centers for Civic Initiatives Tuzla in Bosnia and Herzegovina, January 1 to December 31, 2015 (8-168-19-063-R)

This memorandum transmits the final audit report on Centers for Civic Initiatives Tuzla's incurred costs under the following awards:

Award Name (Type)	Award Number	Period	Prime implementer
Civil Society Sustainability Project (cooperative agreement)	AID-168-A-13-00006	September 1, 2013 - August 30, 2018	Centers for Civic Initiatives Tuzla
Free and Fair 2014 Elections: Because We Care (closed-out) (cooperative agreement)	Sub award under (AID-168-LA-14-00001)	June 1, 2014- November 15, 2015	National Democratic Institute

This memorandum transmits the final report on the audit of the fund accountability statement of Centers for Civic Initiatives Tuzla in Bosnia and Herzegovina, January 1 to December 31, 2015. The auditee contracted with the independent certified public accounting firm KPMG B-H d.o.o. za reviziju to conduct the audit.

The audit firm states that it performed its audit in accordance with generally accepted government auditing standards, except for not participating in an external quality control review program, and not having a continuing education program that fully satisfy the standards' requirements. The audit firm explained that Bosnia and Herzegovina does not offer such a review program. With respect to the continuing education program, the audit firm says that they could not satisfy the standards' requirements because they could not fully obtain the U.S. Government auditing related hours.

The audit firm is responsible for the enclosed auditor's 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 controls; or its compliance with the award, laws, and regulations.¹

The audit objectives were mainly to: (1) express an opinion on whether the fund accountability statement for the period audited was presented fairly, in all material respects; (2) evaluate the auditee's internal controls; (3) determine whether the auditee complied with the award terms and applicable laws and regulations. To answer the audit objectives, the audit firm performed the subject financial audit that covered \$2,202,503, for the period from January 1 to December 31, 2015.

The auditors expressed an unmodified opinion on the fund accountability statement 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 agreement terms, conditions and applicable laws and regulations.

The report does not contain any recommendations for your action.

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

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.