Office of Inspector General

MEMORANDUM

DATE: August 1, 2019

TO: USAID/Kosovo, Mission Director, Lisa Magno

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

SUBJECT: Fund Accountability Statement Audit of Advocacy Training and Resource Center,
              Engagement for Equity (E4E) Project in Kosovo, Under Cooperative Agreement
              AID-167-A-15-00001, January 1 to December 31, 2017 (8-167-19-103-R)

This memorandum transmits the final audit report on the fund accountability statement audit of Advocacy Training and Resource Center, Engagement for Equity (E4E) project in Kosovo, under cooperative agreement AID-167-A-15-00001, from January 1 to December 31, 2017. Advocacy Training and Resource Center contracted with the independent certified public accounting firm of Audit & Consulting Associates, Pristina, Kosovo, to conduct the audit. The audit firm stated that the contract required the audit firm to perform the audit in accordance with generally accepted government auditing standards.

The audit firm states that 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, and did not have a continuing education program that fully satisfies the standards' requirements. The audit firm explained that professional organizations in the Republic of Kosovo do not offer such program. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on Advocacy Training Resource Center's fund accountability statement; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.[1]

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[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 audit objectives were 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 Advocacy Training and Resource Center's internal controls; and (3) determine whether Advocacy Training and Resource Center complied with the award terms and applicable laws and regulations; (4) determine if Advocacy Training and Resource Center took corrective actions to address prior audit recommendations. To answer the audit objectives, the audit firm examined the fund accountability statement and tested relevant balances, tested internal controls related to project activities, and performed tests for compliance. The audit covered $1,342,836 for the period from January 1 to December 31, 2017.

The audit firm concluded the fund accountability statement 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 auditors did not identify any material internal control weaknesses, or any material instances of noncompliance with the award terms, conditions, and applicable laws and regulations. In addition, the auditors reviewed the cost sharing schedule and reported no issues with it. The auditors issued a management letter.

The report does not contain any recommendations for your action.

We appreciate the assistance extended during the engagement.

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").