



MEMORANDUM

DATE: September 26, 2019

TO: USAID/Bosnia and Herzegovina Mission Director, Nancy Eslick

FROM: USAID OIG Middle East and Eastern Europe (ME/EE) Regional Office, Audit Director, David Thomanek /s/

SUBJECT: Fund Accountability Statement Audit of Centers for Civic Initiatives Under Multiple Awards in Bosnia and Herzegovina, January 1 to December 31, 2014 (8-168-19-116-R)

This memorandum transmits the final audit report on the fund accountability statement of Centers for Civic Initiatives under the following awards:

Award Name (Type)	Award Number	Period
Civil Society Sustainability Project in Bosnia and Herzegovina (cooperative agreement)	AID-168-A-13-00006	January 1, 2014 - December 31, 2014
Free and fair 2014 Elections : Because we Care (sub-cooperative agreement)	14-14576-BOS.0-1233	June 1, 2014 - December 31, 2014

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 satisfies 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 states 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 awards, 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 and obtain a sufficient understanding of the auditee's internal controls related to the agreements; and (3) determine whether the auditee complied, in all material respects, with the agreements terms, and applicable laws and regulations. To answer the audit objectives, the audit firm performed the subject financial audit that covered \$1,576,043 for the period January 1 to December 31, 2014.

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 instance of noncompliance. The audit firm said that during the period under audit, the auditee earned a bank interest amount of \$546 from bank accounts designated for USAID funds, out of which \$296 needed to be returned to USAID accounts. Because of its immateriality, RIG/Frankfurt is not including an official recommendation on the \$296 of earned bank interest. However, USAID/Bosnia and Herzegovina is required to make a determination on its allowability and recover from the auditee as appropriate.

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").

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.