



## MEMORANDUM

**DATE:** February 20, 2020

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

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

**SUBJECT:** Audit of Fund Accountability Statement of Association Institute for Youth  
Development KULT, Under Multiple Awards in Bosnia and Herzegovina, for the  
Year Ended December 31, 2018 (8-168-20-043-R)

This memorandum transmits the final audit report on Association Institute for Youth  
Development KULT incurred costs under the following awards:

<b>Award Name (Type)</b>	<b>Award Number</b>	<b>Period</b>	<b>Sub-implementer</b>
Marginalized Population Support Activity (cooperative agreement)	AID-168-I-15- 00001	February 19, 2015- December 31 2018	N/A
Establishment and Development of Sectoral Networks (Civil Society Sustainability Project (cooperative agreement)	CSSP 5/14	July 1, 2014-June 30, 2018	Association Institute for Youth Development KULT
Advocacy (Civil Society Sustainability Project)	CSSP 17/14,	October 1, 2014- June 30, 2018	Association Institute for Youth Development KULT

(cooperative agreement)			
Capacity Building and Sustainability (Civil Society Sustainability Project) (cooperative agreement)	CSSP 26/14	October 15, 2014- June 30, 2018	Association Institute for Youth Development KULT
Gendering BiHelections (cooperative agreement)	SBK80018GR0036	N/A	N/A
Trust, Understanding, Responsibility for the Future (PRO-Future) (cooperative agreement)	N/A	N/A	Association Institute for Youth Development KULT
Local Power-Local Works Pilot Activity- LWPA (cooperative agreement)	72016818CA00002	N/A	N/A

The auditee contracted with the independent certified public accounting firm Deloitte d.o.o. to conduct the audit. The audit firm stated that it performed its audit in accordance with U.S. government auditing standards issued by the comptroller general of the United States. However, it did not have an external quality control review program and continuing education program that fully satisfies the standards' requirements. The audit firm explained that Bosnia and Herzegovina does not offer such a review program. 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.<sup>1</sup>

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; and (3) determine whether the auditee complied with the award terms and applicable laws and regulations. To answer the audit objectives, the auditors

<sup>1</sup> 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.

performed the subject financial audit that covered \$902,371 in expenditures for the year ended December 31, 2018.

The audit firm expressed an unmodified opinion on fund accountability statement and did not identify any questioned costs. The auditors did not identify any material weaknesses in the internal control. The audit firm did not identify any material instances of noncompliance with the award terms and applicable laws and regulations.

During our desk review, we noted several minor issues which the audit firm will need to address in future audit reports. We presented these issues in a memo to the controller, dated February 20, 2020.

The report does not include 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").