



MEMORANDUM

DATE: March 25, 2020

TO: USAID/Bosnia and Herzegovina Mission Director, Nancy 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 Centers for Civic Initiatives Tuzla, Civil Society Sustainability Project in Bosnia and Herzegovina, Cooperative Agreement AID-I68-A-13-00006, January 1 to December 31, 2017 (8-I68-20-053-R)

This memorandum transmits the final audit report on fund accountability statement of Centers for Civic Initiatives Tuzla, Civil Society Sustainability Project in Bosnia and Herzegovina, cooperative agreement AID-I 68-A-13-00006, January 1 to December 31, 2017. The auditee contracted with the independent certified public accounting firm KPMG B-H d.o.o. to conduct the audit. The audit firm stated that it performed its audit in accordance with the 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 because 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 award, laws, and regulations.¹

The audit objectives were mainly to: (1) express an opinion on whether the fund accountability statement from January 1 to December 31, 2017, 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

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.

auditors performed the subject financial audit that covered \$2,096,134 in expenditures from January 1 to December 31, 2017.

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

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”).