



MEMORANDUM

DATE: April 16, 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 Center for Civil Society Promotion,
Under Multiple Awards in Bosnia and Herzegovina, January 1 to December 31,
2018 (8-168-20-057-R)

This memorandum transmits the final audit report on Center for Civil Society Promotion incurred costs under the following awards:

Award Name (Type)	Award Number	Period	Sub-implementer
Independent Media Empowerment Program (grant)	AID-168-A-17-00001	April 17, 2017- April 16, 2022	N/A
Civil Society Sustainability project (grant)	CSSP 1/13	September 1, 2013-August 30, 2018	Center for Civil Society Promotion

The auditee contracted with the independent certified public accounting firm RSM BH d.o.o. Sarajevo 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. With respect to the continuing education program, the audit firm said 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; and (3) determine whether the auditee complied with the award terms and applicable laws and regulations. To answer the audit objectives, the auditors performed the subject financial audit that covered \$1,597,980 in expenditures from January 1, 2018, through December 31, 2018.

The audit firm expressed an unmodified opinion on fund accountability statement and identified immaterial question costs of \$193. The auditors 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. Since the questioned costs did not meet the OIG's established threshold of \$25,000 for making a recommendation, we are not making a recommendation. Nevertheless, we suggest that USAID/Bosnia and Herzegovina determine the allowability of the \$193 in questioned costs and recover any amount determined to be unallowable. Further, the audit firm issued a management letter.

During our desk review, we noted 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 April 16, 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").

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.