



## MEMORANDUM

**DATE:** December 2, 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 the Fund Accountability Statement of Association Institute for Youth Development KULT, Under Multiple Awards in Bosnia and Herzegovina, January 1 to December 31, 2019 (8-168-21-006-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 Populations Support Activity (cooperative agreement)	AID-168-I-15-00001	January 1- December 31, 2019	N/A
Trust, Understanding, Responsibility for the Future (PRO-future) project (sub grant)	AID-168-A-17-00005	January 1- December 31, 2019	Association Institute for Youth Development KULT
Local power – localworks Pilot Activity (cooperative agreement)	72016818CA0002	January 1- December 31, 2019	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 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 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

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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 performed the subject financial audit that covered \$1,100,583 in USAID expenditures from January 1 to December 31, 2019.

The audit firm expressed an unmodified opinion on the fund accountability statement and did not identify any questioned cost. 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.

During our desk review, we noted a minor issue which the audit firm will need to address in future audit reports. We presented this issue in a memo to USAID Controller, dated December 2, 2020.

The report does not include any recommendations for your action.

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").

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<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.