



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: November 16, 2021

TO: USAID/Bosnia and Herzegovina Mission Director, Courtney Chubb

FROM: USAID OIG Middle East and Eastern Europe (ME/EE) Regional Office, Supervisory Auditor, John Vernon /s/

SUBJECT: Audit of the Fund Accountability Statement of Center for Civil Society Promotion, Under Multiple Awards in Bosnia and Herzegovina, January 1 to December 31, 2020 (8-168-22-008-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
Media Empowerment Program (Grant)	AID-168-A-17-00001	January 1- December 31, 2020	Association Open Network
Young Lionesses of Bosnia and Herzegovina (Grant-Close-out Audit Not USAID-funded)	S-BK800-19-GR-0086	January 1- December 31, 2020	n/a

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 or a continuing education program that fully satisfies the standards' requirements. The audit firm explained that Bosnia and Herzegovina do 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 comply with 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 regulations¹.

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 awards terms and applicable laws and regulations. To answer the audit objectives, the auditors performed the subject financial audit that covered \$1,096,723 in USAID expenditures from January 1 to December 31, 2020.

The audit firm 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 instances of noncompliance with the awards terms and applicable laws and regulations. Although we are not making a recommendation for the significant deficiencies noted in the report, we suggest that USAID/Bosnia and Herzegovina determine if the recipient addressed these issues noted. Further, the audit firm issued a management letter.

During our desk review, we noted a minor issue—the report included personally identifiable information in pages 2, 4, 25, 30 and 31—which the audit firm would need to address in future audit reports. We presented this issue in a memo to the controller dated November 16, 2021.

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”).

¹We 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.