



OFFICE OF INSPECTOR GENERAL U.S. Agency for International Development

MEMORANDUM

DATE: June 22, 2025

TO: USAID/Serbia, Mission Director, Brooke Isham

FROM: Middle East and Eastern Europe Regional Office, Audit Director, Louis Duncan, Jr. /s/

SUBJECT: Audit of the Schedule of Expenditures of PartnersGlobal, Civil Society Resilience Strengthening Activity in Serbia, Cooperative Agreement 72016922CA00003, March 1, 2023, to February 29, 2024 (8-169-25-015-R)

This memorandum transmits the final audit report on the schedule of expenditures of PartnersGlobal, Civil Society Resilience Strengthening Activity in Serbia, Cooperative Agreement 72016922CA00003, from March 1, 2023, to February 29, 2024. The auditee contracted with the independent audit firm RSM Serbia d.o.o. to conduct the audit. The audit firm stated that it performed its audit in accordance with the standards established by the International Auditing and Assurance Standards Board and the related International Standards on Auditing, applied in conjunction with U.S. Generally Accepted Government Auditing Standards. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on the auditee's schedule of expenditures; 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 schedule of expenditures 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 agreement's terms and applicable laws and regulations. To answer the audit objectives, the audit firm performed the subject financial audit that covered \$1,788,883 for the period from March 1, 2023, to February 29, 2024.

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.

The audit firm concluded that the schedule of expenditures presented fairly, in all material respects, program revenues and costs incurred under the award for the period audited except for \$1,288 of ineligible questioned costs and \$1,616 of unsupported questioned costs. The audit firm did not identify any material internal control weaknesses or any material instances of noncompliance with the award terms, conditions, and applicable laws and regulations. Since the questioned cost 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/Serbia determine the allowability of the total \$2,904 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 areas for improvement which the audit firm should address in future audit reports. We presented these deficiencies in a memo to the controller, dated June 22, 2025.

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"). In addition, USAID OIG has determined that this transmittal memo and the enclosed report are not subject to notification and reporting requirements under Section 5274 of the National Defense Authorization Act.²

² The James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 Pub. L. No. 117-263, § 5274. Please direct related inquiries to oinotice_ndaa5274@usaid.gov.