



# OFFICE OF INSPECTOR GENERAL

## U.S. Agency for International Development

### MEMORANDUM

**DATE:** August 15, 2025

**TO:** USAID/Serbia Mission Director, Brooke Isham

**FROM:** Middle East and Eastern Europe Regional Office, Acting Audit Director, Esther Park /s/

**SUBJECT:** Audit of the Schedule of Expenditures of Digital Serbia Initiative, Venture an Idea Project in Serbia, Cooperative Agreement 72016921FA00001, January 1 to December 31, 2023 (8-169-25-024-R)

This memorandum transmits the final audit report of the schedule of expenditures of Digital Serbia Initiative, Venture an Idea project in Serbia, cooperative agreement 72016921FA00001, from January 1 to December 31, 2023. Digital Serbia Initiative contracted with the independent audit firm Grant Thornton d.o.o Beograd to conduct the audit. The audit firm stated it performed the audit in accordance with the U.S. Government Auditing Standards. However, it did not have an external quality control review or continuing professional education programs that fully satisfy the standards' requirements. The audit firm explained that Serbia does not offer an external quality control review program since no such program is offered by professional organizations in Serbia. The report also stated that Grant Thornton believes its own continuing professional education program is sufficient for the purposes of this audit. 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 statement of expenditures, the effectiveness of its internal control, or its compliance with the awards, laws, and regulations.<sup>1</sup>

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 award terms and applicable laws and regulations. To answer the audit objectives, the audit firm performed the subject financial audit that covered total expenditures of \$1,118,750 from January 1 to December 31, 2023.

The audit firm concluded that the schedule of expenditures presented fairly, in all material respects. The audit firm did not identify any questioned costs. Additionally, the auditors did not

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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.

identify any material weaknesses in internal control or any material instances of noncompliance with the awards' terms and applicable laws and regulations.

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 USAID, dated August 15, 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.<sup>2</sup>

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<sup>2</sup> The James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 Pub. L. No. 117-263, § 5274. Please direct related inquiries to [oignotice\\_ndaa5274@usaid.gov](mailto:oignotice_ndaa5274@usaid.gov).