



## MEMORANDUM

**DATE:** April 8, 2019

**TO:** USAID/Bosnia and Herzegovina Mission Director, Peter Duffy

**FROM:** USAID OIG Middle East and Eastern Europe (ME/EE) USDH NFA Coordinator, Abdoulaye Gueye /s/

**SUBJECT:** Fund Accountability Statement Audit of USAID Resources Managed by Partner Mikrokreditna Fondacija Tuzla, Solar Energy as the Future of Sustainable Development Program in Bosnia and Herzegovina, Agreement AID-168-A-11-00005, for the Year Ended December 31, 2015 (8-168-19-047-R)

This memorandum transmits the final audit report on the fund accountability statement audit of USAID resources managed by Partner Mikrokreditna Fondacija Tuzla, Solar Energy as the Future of Sustainable Development Program in Bosnia and Herzegovina, agreement AID-168-A-11-00005, for the year ended December 31, 2015. The auditee contracted with the independent certified public accounting firm Deloitte d.o.o to conduct the audit.

The audit firm states it performed its audit in accordance with generally accepted government auditing standards except that it did not participate in an external quality control review program and did not have a continuing education program that fully satisfies the standards' requirements. The audit firm says that Bosnia and Herzegovina do not offer such a review program. With respect to the continuing education program, the audit firm says 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 control; 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 year ended December 31, 2015, 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 \$ 302,832 in expenditures for the year ended December 31, 2015.

The audit firm expressed an unmodified opinion on the fund accountability statement and did not identify any question costs. The audit firm did not identify any significant deficiencies or material weaknesses in internal control. The audit firm did not identify any material instances of noncompliance with the award terms and applicable laws and regulations.

During our desk review, we noted several minor issues which the audit firm will need to address in future audit reports. We presented these issues in a letter to the controller, dated April 8, 2019.

The report does not contain any recommendations for your action.

We appreciate the assistance extended to the audit staff during the engagement.

The 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").

Enclosed: a/s

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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.