



Office of Inspector General

MEMORANDUM

DATE: July 30, 2019

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

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

SUBJECT: Closeout Audit of the Fund Accountability Statement of Partner Mikrokreditna Fondacija Tuzla, Solar Energy as the Future of Sustainable Development in Bosnia and Herzegovina, Cooperative Agreement AID-168-A-11-00005, January 1 to July 10, 2016 (8-168-19-101-R)

This memorandum transmits the final report of the closeout audit of the fund accountability statement of Partner Mikrokreditna Fondacija Tuzla, Solar Energy as the Future of Sustainable Development in Bosnia and Herzegovina, cooperative agreement AID-168-A-11-00005, January 1 to July 10, 2016. The auditee contracted with the independent certified public accounting firm Deloitte d.o.o to conduct the audit.

The audit firm states that it performed its audit in accordance with generally accepted government auditing standards, except for not participating in an external quality control review program, and not having a continuing education program that fully satisfy the standards' requirements. The audit firm explained that Bosnia and Herzegovina does 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 controls; or its compliance with the award, laws, and regulations.¹

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 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; (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 \$68,954, for the period from January 1 to July 10, 2016.

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

During our desk review, we noted 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 July 30, 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