



MEMORANDUM

DATE: January 15, 2020

TO: USAID/Bosnia and Herzegovina Mission Director, Nancy Eslick

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

SUBJECT: Closeout audit of the Fund Accountability Statement Audit of Centers for Civic Initiatives Under Multiple Awards in Bosnia and Herzegovina, January 1, 2018 to December 31, 2018 (8-168-20-031-R)

This memorandum transmits the final audit report on closeout audit of the fund accountability statement USAID of Centers for Civic Initiatives under the following awards:

Award Name (Type)	Award Number	Period	Sub Implementer
Civil Society Sustainability Project (closeout) (cooperative agreement)	AID-168-A-13-0006	January 1, 2018 - December 31, 2018	
Western Balkans Public Disinformation Monitoring (closeout) (cooperative agreement)	AID-OAA-LA-13-00011 (#98.001)	September 1, 2018 to December 15, 2018	Centers for Civic Initiatives

The auditee contracted with the independent certified public accounting firm KPMG (Bosnia and Herzegovina) to conduct the audit. The audit firm stated that it performed its audit in accordance with generally accepted government auditing standards. However, it did not have a continuing education program that fully satisfies the standards' requirements. Also, the audit firm did not have an external peer review because no such program is offered by professional organizations in Bosnia and Herzegovina. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on CCI's fund accountability statement; the effectiveness of its internal control; or its compliance with the award, laws, and

regulations.¹

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 and obtain a sufficient understanding of the auditee's internal controls related to the agreements; and (3) determine whether the auditee complied, in all material respects, with the agreements terms, and applicable laws and regulations. To answer the audit objectives, the audit firm performed the subject financial audit that covered \$1,635,866 for the period January 1 to December 31, 2018.

The audit firm concluded the fund accountability statement presented fairly, in all material respects, program revenues and costs incurred under the award for the period audited. In addition, the audit report did not disclose any material internal control weaknesses or any instance of material noncompliance.

The report does not contain any recommendations for your action.

We appreciate the assistance extended during the engagement.

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").

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.