



Office of Inspector General

MEMORANDUM

DATE: May 20, 2020

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

FROM: USAID OIG Middle East and Eastern Europe (ME/EE) Regional Office, Acting Audit Director, John Vernon /s/

SUBJECT: Audit of the Fund Accountability Statement of Center for Media Development and Analysis Under Multiple Awards in Bosnia and Herzegovina, September 20, 2016, to December 31, 2017 (8-168-20-067-R)

This memorandum transmits the final audit report on Center for Media Development and Analysis's incurred costs under the following awards:

Award Name (Type)	Award Number	Period	Sub implementer
AntiCorruption Civic Organization Unified Network (agreement)	AID-168-A-15-00001	July 15, 2015-July 14, 2019	N/A
Public Procurement in the Health Sector (grant agreement)	S-BK800-17-GR-0081	July 1, 2017-January 1, 2019	N/A
New Age Journalism (grant agreement)	S-BK800-17-GR-0116	July 26, 2017-January 26, 2019	N/A
Who's Afraid of Corruption Yet? We Aren't! (close out) (sub agreement)	90-09/2016	September 20, 2016-September 30, 2017	Center for Media Development and Analysis

The auditee contracted with the independent certified public accounting RSM BH d.o.o. to conduct the audit. The audit firm stated that it performed its audit in accordance with U.S. Government Auditing Standards issued by the Comptroller General of the United States.

However, it did not have an external quality control review program and continuing education program that fully satisfies 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 said 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

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; 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 \$812,697, for the period from September 20, 2016, to December 31, 2017.

The auditors expressed an unmodified opinion on the fund accountability statement and questioned \$1,664 (\$1,024 ineligible, and \$640 unsupported). The audit firm did not identify any material internal control weaknesses or any material instances of noncompliance with the agreement terms, conditions, and applicable laws and regulations. The audit firm also questioned \$250 (\$86 ineligible, and \$164 unsupported) in cost share contribution. Since the questioned costs 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/Bosnia and Herzegovina determine the allowability of the \$1,914 in questioned costs and recover any amount determined to be unallowable. Further, the audit firm issued a management letter.

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").

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.