



## OFFICE OF INSPECTOR GENERAL U.S. Agency for International Development

### MEMORANDUM

**DATE:** November 29, 2022

**TO:** USAID/Bosnia and Herzegovina Mission Director, Courtney Chubb

**FROM:** USAID OIG Middle East and Eastern Europe (ME/EE) Regional Office,  
Supervisory Auditor, John Vernon /s/

**SUBJECT:** Audit of the Schedule of Expenditures of Centers for Civic Initiatives Tuzla Under Multiple Awards in Bosnia and Herzegovina, January 1 to December 31, 2021 (8-I68-23-006-R)

This memorandum transmits the final audit report of the schedule of expenditures of Centers for Civic Initiatives Tuzla under the following awards:

Award Name (Type)	Award Number	Period	Sub-implementer
Addressing Corrosive Capital Flows Program (Grant) (Non-USAID funds)	3821401-000-0D	August 1, 2021 to December 31, 2021	Centers for Civic Initiatives Tuzla
System Transparency in Election Process Program (Grant) (Non-USAID funds) (Close-out audit)	SBK80020GR0097	January 1, 2021 to May 31, 2021	n/a
Assistance to Citizens in Fight against Corruption Project (Cooperative Agreement)	72016819CA00001	January 1 to December 31, 2021	n/a

Centers for Civic Initiatives Tuzla contracted with the independent audit firm KPMG B-H d.o.o. Sarajevo 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 and the USAID Guidelines for Financial Audits Contracted by Foreign Recipients. However, it did not have an external quality control review program or a continuing professional education program that fully satisfies the standards' requirements. The audit firm

explained that professional organizations in Bosnia and Herzegovina do not offer such a review program. With respect to the continuing education program, the audit firm said that they could not fully comply with the U.S. Government auditing related hours. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on auditee's schedule 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 awards terms and applicable laws and regulations. To answer the audit objectives, the audit firm performed the subject financial audit that covered USAID expenditures of \$1,650,788 for the period from January 1 to December 31, 2021.

The audit firm concluded that the schedule of expenditures presented fairly, in all material respects, program revenues and costs incurred under the awards for the period audited and did not identify any questioned cost. The audit firm did not identify any material weaknesses in internal control or any material instances of noncompliance.

During our desk review, we noted an area for improvement which the audit firm should address in future audit reports. We presented this area in a memo to the controller dated November 29, 2022

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").

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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.