



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: February 21, 2024

TO: USAID/Bosnia and Herzegovina, Mission Director, Emily Kronic

FROM: Middle East and Eastern Europe Regional Office, David Clark /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, 2022 (8-168-24-012-R)

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

Award Name (Type)	Award Number	Period	Sub-implementer
Assistance to Citizens in Fight Against Corruption (cooperative agreement)	72016819CA00001	Jan. 1-Dec. 31, 2022	n/a
System Transparency in Election Process (subgrant agreement)	22-19538-BOS.0-2315	Jul. 1-Dec. 31, 2022	CCI
Election Integrity Project in BiH (state department agreement)	SAQMIP22GR0179	Oct. 1-Dec. 31, 2022	n/a

CCI contracted with the independent certified public accounting firm KPMG BiH to conduct the audit. The audit firm stated it performed the audit in accordance with U.S. Government Auditing Standards. However, it did not have an external quality control review program or a continuing education program that fully satisfies the standards' requirements. The audit firm explained that professional organizations in Bosnia and Herzegovina do not offer such a quality control review program. With respect to the continuing professional education program, the audit firm said that they could not satisfy the standards' requirements because 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 the auditee's statement of expenditures; the effectiveness of its internal control; or its compliance

with the awards, laws, and regulations.¹

The audit objectives were 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 \$1,682,184 of USAID expenditures for the period from January 1 to December 31, 2022.

The audit firm concluded that the schedule of expenditures presented fairly, in all material respects, program revenues and costs incurred for the period audited. The audit firm identified no questioned costs; no material weaknesses in internal control; and no instances of material noncompliance.

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"). In addition, USAID OIG has determined that this transmittal memo and the enclosed report are not subject to notification and reporting requirements under Section 5274 of the National Defense Authorization Act.²

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.

² The James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 Pub. L. No. 117-263, § 5274. Please direct related inquiries to oignotice_ndaa5274@usaid.gov.