



MEMORANDUM

DATE: January 27, 2020

TO: USAID/Iraq Mission Director, Dana Mansuri

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

SUBJECT: Audit Report on Direct Costs Incurred and Reported on International Foundation for Election Systems, Consortium for Elections and Political Process Strengthening in Iraq, Cooperative Agreement AID-267-LA-11-00001, July 1, 2013, to June 30, 2014 (8-267-20-001-D)

This memorandum transmits the final Defense Contract Audit Agency (DCAA) report number 1571-2015J17900001, on direct costs incurred and reported on International Foundation for Election Systems, Consortium for Elections and Political Process Strengthening, USAID cooperative agreement AID-267-LA-11-00001, July 1, 2013, to June 30, 2014. USAID/Iraq contracted with the DCAA to conduct the audit. DCAA states that it performed its audit in accordance with generally accepted government auditing standards. DCAA is responsible for the enclosed auditor's report and the conclusions expressed in it. We do not express an opinion on the auditee's direct costs incurred and reported; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.¹

The engagement objectives were mainly to express an opinion on whether the costs incurred and reported comply with the cooperative agreement terms pertaining to accumulating and reporting incurred amounts from July 1, 2013, to June 30, 2014. To answer the engagement objective, the auditors performed the subject examination that covered \$3,497,754 in expenditures from July 1, 2013, to June 30, 2014.

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.

DCAA said that; except for the noncompliance regarding the real time direct labor testing, the International Foundation for Election Systems complied in all material respects with the terms of the cooperative agreement number AID-267-LA-11-00001, from July 1, 2013, to June 30, 2014, and did not question any costs.

The report does not contain any recommendations for your action.

We appreciate the assistance extended to the DCAA 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").