



MEMORANDUM

DATE: July 25, 2019

TO: USAID/Ukraine and Belarus Regional Mission Director, Susan K. Fritz

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

SUBJECT: Financial Audit of Fund Accountability Statement of International Charitable Organization "East Europe Foundation" in Ukraine, Under Multiple Awards, January 1 to December 31, 2017 (8-121-19-096-R)

This memorandum transmits the final audit report on International Charitable Organization East Europe Foundation's fund accountability statement under the following awards:

Award Name (Type)	Award Number	Period	Subimplementer
Responsible, Accountable, Democratic Assembly in Ukraine (cooperative agreement)	AID-121-A-14-00001	Nov 25, 2013 - Nov 24, 2018	N/A
Leadership in Economic Governance Program (cooperative agreement) (Closeout audit)	AID-121-A-15-00001	Dec 19, 2014 – Dec 18, 2017	N/A
Transparency and Accountability in Public Administration and Services (sub-award agreement)	AID-121-A-16-00008	Oct 01, 2016 – Jun 30, 2021	East Europe Foundation

The International Charitable Organization East Europe Foundation contracted with the independent certified public accounting firm Deloitte & Touche USC to conduct the audit.

The audit firm states that it performed its audit in accordance with generally accepted government auditing standards, except for not fulfilling the continuing professional education requirements and not participating in an external quality control review since no such program is offered by professional organizations in Ukraine. The audit firm states that they participate in the Deloitte Touche Tohmatsu Limited worldwide internal quality control review program which requires each partner of their office to be subjected, at least every three years, to an extensive quality control review by partners and managers from other affiliate offices. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on International Charitable Organization “East Europe Foundation’s” fund accountability statement; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.¹

The audit objectives were to (1) perform the audit of the fund accountability statement for the program; (2) determine whether International Charitable Organization “East Europe Foundation” complied with award terms and applicable laws and regulations; (3) evaluate the International Charitable Organization “East Europe Foundation’s” internal controls; and (4) review the cost sharing counterpart contribution schedule of the organization. To answer the audit objectives, the audit firm performed the subject audit that covered \$2,318,716 for the period from January 1 to December 31, 2017.

The audit firm concluded that the fund accountability statement presented fairly, in all material respects, program revenues and costs incurred under the award for the period audited. The audit firm did not identify any finding in internal control weakness or material instance of noncompliance. The audit firm did not identify any finding in their review of cost sharing counterpart contribution. The audit firm issued a management letter to the auditee.

The report does not contain any recommendation 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.