



MEMORANDUM

DATE: July 11, 2019

TO: USAID/Afghanistan Mission Director, Peter Natiello

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

SUBJECT: Closeout Audit of Costs Incurred by Democracy International, Under International Election Observation Mission for the 2009 Presidential and Provincial Council Elections Program in Afghanistan, Cooperative Agreement AID-306-A-00-09-00522, January 1, 2016, to September 30, 2017 (8-306-19-041-N)

This memorandum transmits the final report on the closeout audit of costs incurred by Democracy International, under International Election Observation Mission for the 2009 Presidential and Provincial Council Elections Program in Afghanistan, cooperative agreement AID-306-A-00-09-00522, for the period from January 1, 2016, to September 30, 2017. The agency contracted with the independent certified public accounting firm Davis and Associates, PLLC to conduct the audit. The contract required the audit firm to perform the audit in accordance with generally accepted government auditing standards.

The audit firm states that it performed its audit in accordance with generally accepted government auditing standards. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on the Democracy International schedule of costs incurred; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.¹

The audit objectives were to: (1) express an opinion on whether the schedule of costs incurred for the period audited, was presented fairly, in all material respects; (2) evaluate the Democracy International's internal controls; (3) determine whether Democracy International complied with

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.

award terms and applicable laws and regulations; and (4) determine whether the auditee has taken corrective action on prior audit recommendations. To answer the audit objectives, the audit firm performed the subject audit that covered \$13,793,725 for the period from January 1, 2016, to September 30, 2017.

The auditors expressed an unmodified opinion on the schedule of costs incurred and did not identify any questioned costs. The auditors did not identify any significant deficiency or material weakness in internal control. The auditors also did not identify any instance of material noncompliance.

The report does not contain any recommendation for your action.

We appreciate the assistance extended to audit staff 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").