



## MEMORANDUM

**DATE:** August 26, 2019

**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 of Direct Costs Incurred and Reported by International Foundation for Electoral Systems Through the Consortium for Elections and Political Process Strengthening in Iraq Under USAID Cooperative Agreement AID-267-LA-11-00001, July 1, 2014, to September 30, 2015 (8-267-19-002-D)

This memorandum transmits the final audit report on direct costs incurred and reported by International Foundation for Electoral Systems through the Consortium for Elections and Political Process Strengthening in Iraq under USAID Cooperative Agreement AID-267-LA-11-00001, from July 1, 2014, to September 30, 2015. USAID/Iraq contracted with Defense Contract Audit Agency to conduct the audit.

Defense Contract Audit Agency states that it performed its audit in accordance with generally accepted government auditing standards. Defense Contract Audit Agency is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on International Foundation for Electoral Systems statement of proposed direct costs or its compliance with the award terms and conditions.<sup>1</sup>

The audit objective was to determine whether the direct costs incurred and reported comply with the award terms pertaining to accumulating and reporting incurred amounts. To answer the audit objective, Defense Contract Audit Agency performed the subject

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<sup>1</sup> We reviewed Defense Contract Audit Agency'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 Defense Contract Audit Agency's supporting working papers; they are not designed to enable us to directly evaluate the quality of the audit performed.

audit that covered \$7,463,468 in direct incurred costs for the period from July 1, 2014 to September 30, 2015.

Defense Contract Audit Agency expressed a qualified opinion due to a scope limitation resulting from not being able to perform real time direct labor testing for fiscal years 2014 and 2015. They said that they performed alternative procedures to evaluate the allowability and allocability of the labor costs. Defense Contract Audit Agency said that in their opinion, except for the non-compliances, if any, that they might have identified had they completed the real time direct labor testing, International Foundation for Electoral Systems direct costs incurred and reported comply, in all material respects, with the terms and conditions of the award under audit from July 1, 2014 to September 30, 2015. Defense Contract Audit Agency did not identify any questioned costs.

The report does not contain any recommendations for your action.

We appreciate the assistance extended to the 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").