



*Office of Inspector General*

## MEMORANDUM

**DATE:** December 2, 2020

**TO:** USAID/Ukraine and Belarus Regional Mission Director, James Hope

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

**SUBJECT:** Audit of the Fund Accountability Statement of East Europe Foundation, Under  
Multiple Awards in Ukraine, From January 1 to December 31, 2019  
(8-121-21-007-R)

This memorandum transmits the final audit report on East Europe Foundation's incurred costs under the following awards:

Award Name (Type)	Award Number	Period	Sub implementer
Transparency and Accountability in Public Administration and Services	WI6-9001	January 1- December 31, 2019	East Europe Foundation
(subaward)			
Responsible, Accountable, Democratic Assembly in Ukraine	AID-121-A-14-00001	January 1- December 31, 2019	n/a
(cooperative agreement)			
Agriculture and Rural Development Support Program	ARDS-GI-30	January 1- September 3, 2019	East Europe Foundation
(subaward)			

The auditee contracted with the independent certified public accounting firm Gelman, Rosenberg & Freedman to conduct the audit. The audit firm stated that it performed its audit in accordance with U.S. Generally Accepted Government Auditing Standards. The audit firm is responsible for the enclosed auditor's report and the conclusions expressed in it. We do not express an opinion on the auditee's fund accountability statement; the effectiveness of its internal controls; or its compliance with the award, laws, and regulations.<sup>1</sup>

The audit objectives were mainly to: (1) express an opinion on whether the fund accountability statement 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 award terms and applicable laws and regulations. To answer the audit objectives, the audit firm performed the subject financial audit that covered \$1,993,411, for the period from January 1 to December 31, 2019.

The auditors expressed an unmodified opinion on the fund accountability statement and did not identify any questioned costs. The audit firm did not identify any material internal control weaknesses, or any material instances of noncompliance with the agreement terms, conditions and applicable laws and regulations. Further, the audit firm issued a management letter.

During our desk review, we noted minor issues which the audit firm will need to address in future audit reports. We presented these issues in a letter to the controller dated December 2, 2020.

The report does not contain 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").

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<sup>1</sup> 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.