

OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

UKRAINE: Audit of Costs Incurred by Consortium for Elections and Political Process Strengthening from January 1, 2018, to December 31, 2022

Audit Report 3-000-25-010-U
March 6, 2025



Office of Audits, Inspections, and Evaluations



OFFICE OF INSPECTOR GENERAL U.S. Agency for International Development

MEMORANDUM

DATE: March 6, 2025

TO: USAID/Bureau for Management/Office of Acquisition & Assistance, Director,
Jami J. Rodgers

FROM: Deputy Assistant Inspector General for Audits, Inspections, & Evaluations,
Khadija Walker /s/

SUBJECT: UKRAINE: Audit of Costs Incurred by Consortium for Elections and Political
Process Strengthening from January 1, 2018, to December 31, 2022
(3-000-25-010-U)

Enclosed is the final audit report on the claimed costs incurred by Consortium for Elections and Political Process Strengthening (CEPPS) for the period of January 1, 2018, to December 31, 2022. CEPPS' work under the Ukraine Responsive and Accountable Politics Program is to assist USAID/Ukraine Mission to enhance efforts by improving and reforming positively the political processes in Ukraine. Their work is to foster positive change by directly influencing the conduct of politics within the country and addressing key challenges.

The Office of Inspector General (OIG) contracted with the independent certified public accounting and consulting firm of Premier Group Services, Inc. (Premier Group) to conduct a performance audit to determine allowability, allocability, and reasonableness of CEPPS claimed costs incurred. The contract required the audit firm to perform the audit in accordance with generally accepted government auditing standards.

In carrying out its oversight responsibilities, OIG reviewed the audit firm's report and related audit documentation and discussed the findings with the firm's representatives. The audit firm is responsible for the enclosed auditor's report and the conclusions. That said, we found no instances in which the audit failed to comply, in all material respects, with applicable standards.

¹ Pursuant to the Pub. L. No. 117-263 § 5274, USAID OIG provides nongovernmental organizations and/or businesses specifically identified in this report 30 days from the date of report publication to submit a written response to USAID OIG. Any comments received will be posted on <https://oig.usaid.gov/>. Please direct inquiries to oignotice_ndaa5274@usaid.gov.

The objectives of this audit were to:

1. Express an opinion on whether costs incurred by CEPPS under the subject awards for the period audited are fairly presented and in conformity with the terms of regulatory and award requirements and generally accepted accounting principles.
2. Identify as unsupported, unreasonable, or ineligible, any questioned costs incurred in implementing the USAID's activities for the period audited in conformity with the terms of the regulatory and award requirements and generally accepted accounting principles.
3. Evaluate CEPPS' contract bidding and procurement processes to determine whether they complied with regulatory and award requirements.
4. Evaluate and obtain sufficient understanding of CEPPS' internal controls, assess control risks, and identify reportable conditions, including material internal control weaknesses.
5. Perform tests to determine whether CEPPS complied in all material respects with regulatory and award requirements related to USAID-funded programs and projects.
6. Determine the extent to which CEPPS delivered, accounted for, and made proper disposition of commodities and supplies purchased under the contract or furnished by USAID.
7. Determine the extent to which CEPPS requested from USAID the necessary approval for the issuance of subawards according to regulatory and award requirements.
8. Determine whether CEPPS has taken corrective action on prior audit report recommendations.

To answer the audit objectives, Premier Group obtained a sufficient understanding of CEPPS' internal control environment, identified significant provisions of laws and regulations to design relevant compliance-related procedures, followed up on prior audit recommendations, and examined the following incurred cost elements: Personnel, Fringe Benefits, Travel, Equipment, Supplies, Contractual, Other Direct Costs and Indirect Cost. Premier Group conducted interviews and walkthroughs; and reviewed agency actions to address any prior audit recommendations for CEPPS' incurred cost audits.

Premier Group concluded that CEPPS met requirements under the USAID contract related to all eight of the audit objectives. Specifically, that CEPPS complied with the standards set by their awards; that costs incurred were allowable, allocable, and reasonable; and that CEPPS' controls were designed and operating effectively.

The audit firm did not identify any material weaknesses in internal control over financial reporting. Additionally, the audit firm found no reportable noncompliance with applicable laws, regulations, and contracts.

On January 13, 2025, the agency provided their official response stating that USAID did not have any comments in reference to the audit report.

We appreciate the assistance provided to our staff and the audit firm's employees during the engagement.



**CONSORTIUM FOR ELECTIONS AND POLITICAL PROCESS STRENGTHENING
1225 EYE STREET, NW, SUITE 700, WASHINGTON, DC 20005**

**UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID)
OFFICE OF INSPECTOR GENERAL (OIG)
INCURRED COST AUDITS OF USAID UKRAINE RESOURCES
CONTRACT NUMBER: GS00F100GA
PERIOD JANUARY 1, 2018, TO DECEMBER 31, 2022**

DATE: JANUARY 27, 2025

Prepared by
Premier Group Services, Inc.
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EXECUTIVE SUMMARY

Mr. David A. McNeil
Director, External Financial Audit Division
U.S. Agency for International Development (USAID)
Office of Inspector General (OIG)
1300 Pennsylvania Avenue, NW
Washington, DC 20523

Dear Mr. McNeil:

This report presents our results of the incurred cost audit of Consortium for Elections and Political Process Strengthening (herein after referred to as CEPPS) for the calendar period of January 1, 2018, to December 31, 2022. Our audit fieldwork was performed between September 15, 2023, and October 28, 2024, and our results, reported herein, are as of January 27, 2025.

Our audit objective was to determine whether the incurred costs from January 1, 2018, to December 31, 2022, were allowable, allocable, and reasonable in accordance with CEPPS' contracts with USAID and applicable government acquisition regulations.

We tested the significant claimed cost elements: Personnel, Fringe Benefits, Travel, Equipment, Supplies, Contractual, and Other Direct Costs. This report summarizes our testing results as per the Federal Acquisition Regulation (FAR), Agency for International Development Acquisition Regulation (AIDAR), Department of State Standardized Regulations (DSSR) for travel-related expenses, 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Task order/Award Terms, and Other relevant regulations/policies.

We conducted this incurred cost audit in accordance with Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient and appropriate evidence to provide a reasonable basis for our findings and recommendations based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Incurred Cost:

We identified no questioned costs related to our testing of Direct Costs charged to USAID. See Schedule A-1 through A-1b for direct costs, by USAID contract, incurred from January 1, 2018, to December 31, 2022.

Reconciliation of Booked to Billed Costs:

This incurred cost audit included performing a reconciliation, by USAID Award Number AID-121-LA-16-00001, between the total adjusted cumulative allowable costs booked to date and the total cumulative amount billed from January 1, 2018, to December 31, 2022, and reporting any

over/under-billing amounts. Based on the results of the reconciliation, CEPPS did not overbill or underbill USAID.

Report Schedules:

We have provided the following schedules for further detail:

- Schedule A – Schedule of Allowable Costs by Contract. This schedule summarizes by USAID contract the claimed costs that are considered allowable and reimbursable.
- Schedule B – Reconciliation of Booked to Billed Costs. This schedule summarizes by USAID contract, the total adjusted cumulative cost booked to date, compares it to the cumulative amount billed and reports any over/under billing amounts.

Allowability, Allocability, and Reasonableness of Incurred Costs

Overall, CEPPS has reported its incurred cost in accordance with the applicable regulations set forth in the FAR, the AIDAR, and/or the DSSR, and USAID contracts which relate to allowability, allocability, and reasonableness of incurred cost.

Based on the incurred cost audit procedures performed and the results obtained, we have met our audit objective.

Sincerely,

Premier Group Services, Inc.

Lanham, MD
January 27, 2025

BACKGROUND

USAID Overview

The U.S. Agency for International Development (USAID) is an independent Federal agency headquartered in Washington, DC, with a presence in 87 countries. Established in November 1961, USAID is the leading Federal agency that works to end extreme global poverty and enable resilient, democratic societies to realize their potential. USAID is headed by an Administrator and receives overall foreign policy guidance from the Secretary of State.

USAID OIG's mission is to safeguard and strengthen U.S. foreign assistance through timely, relevant, and impactful oversight of the entities under their jurisdiction.

CEPPS Overview

Consortium for Elections and Political Process Strengthening (hereinafter referred to as CEPPS) is comprised of nonprofit, nonpartisan, and nongovernmental organizations dedicated to advancing and supporting democratic practices and institutions around the globe. Established in 1995, CEPPS pulls the expertise of three premier international organizations dedicated to democratic development: the International Foundation for Electoral Systems (IFES), the International Republican Institute (IRI), and the National Democratic Institute (NDI). From January 1, 2018, to December 31, 2022, CEPPS had the following USAID contracts:

Contract Number	Contract Name	Period of Performance	Total Budget Amount
AID-121-LA-16-00001	International Foundation for Electoral Systems	April 1, 2016 – March 31, 2025	\$26,216,667
AID-121-LA-16-00001	International Republic Institute	April 1, 2016 – March 31, 2025	\$20,141,667
AID-121-LA-16-00001	National Democratic Institute	April 1, 2016 – March 31, 2025	\$24,541,667

OBJECTIVE, SCOPE, AND METHODOLOGY

Objective

The objectives of the incurred cost audit in detail were to:

- Express opinion on whether costs incurred by CEPPS under the subject awards for the period audited are fairly presented and in conformity with the terms of regulatory and award requirements and Generally Accepted Accounting Principles (GAAP) or other comprehensive basis of accounting.
- Identify as unsupported, unreasonable, or ineligible, any questioned costs incurred in implementing the USAID activities for the period audited in conformity with the terms of the regulatory and award requirements and GAAP or other comprehensive basis of accounting (including the cash receipts and disbursements basis and modifications of the cash basis).

- Evaluate CEPPS' contract bidding and procurement processes to determine whether they complied with all contract requirements of regulatory and award requirements.
- Evaluate and obtain a sufficient understanding of CEPPS' internal controls, assess control risk, and identify reportable conditions, including material internal control weaknesses.
- Perform tests to determine whether CEPPS complied in all material respects with regulatory and award requirements related with USAID-funded programs and projects. All material instances of noncompliance and all indications of illegal acts that have occurred or are likely to have occurred must be identified and reported to OIG.
- Determine to the extent specified herein if CEPPS has delivered, accounted for, and made proper disposition of commodities and supplies purchased under the contract or furnished by USAID.
- Determine to the extent specified herein if CEPPS has requested from USAID the necessary approval for the issuance of subawards according to regulatory and award requirements.
- Determine whether CEPPS has taken corrective actions on prior audit report recommendations.

Scope & Methodology

We conducted our incurred cost audit in accordance with Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Incurred Costs: We examined CEPPS' incurred cost elements: Personnel, Fringe Benefits, Travel, Equipment, Supplies, Contractual, and Other Direct Costs. We reviewed the FAR, AIDAR, DSSR, 2 CFR 200, Task Order/Award Terms, and Other relevant regulations/policies to ensure that all costs incurred under the USAID contracts were reasonable, allocable and allowable.

Internal Controls: Through inspection of documents, inquiry of personnel, and observation of procedures, we obtained a sufficient understanding of CEPPS and its environment, including its internal control, to assess the risk of material misstatement of the books and records of CEPPS, whether due to error or fraud, and to design the nature, timing, and extent of further audit procedures.

Compliance with Laws and Regulations: We identified the significant provisions of laws and regulations to design relevant compliance-related procedures for the audit. We looked at those provisions (a) for which compliance could be objectively determined and (b) that had a direct and material effect on the Activity. Our audit included steps to allow us to detect all material instances of noncompliance, defined as instances that could have a direct and material effect on the incurred costs.

Follow-Up to Prior Audit Recommendations: We inquired of management as to whether or not any prior audit or compliance reviews had been performed with respect to the USAID contracts.

RESULTS

Our testing results, by cost element claimed from January 1, 2018 to December 31, 2022, are presented below:

1. Personnel & Fringe Benefits:

We reviewed all time and attendance records, payroll, personnel, and/or other records to determine if an employee was a valid employee who worked on the award effort. We compared the total hours charged to each project with the payroll summary to ensure they matched and that the hours were within the approved level of effort (LOE) for each staff member.

We examined whether salaries and fringe benefits approved and in line with FAR requirements or contract provisions. We also verified that salary rates and increases were approved by the USAID Contracting Officer (CO) when necessary and were supported by payroll records. Additionally, we compared the CO/Agreement Officer (AO)-approved staffing pattern to the staff list from CEPPS to ensure staffing changes complied with regulatory and contractual requirements.

From our testing, we found no questioned costs within Personnel & Fringe Benefits.

2. Travel Costs:

We reviewed vendor invoices, employee expense reports, airline tickets, etc. and verified agreement with amounts recorded and claimed. In addition, we verified that travel expenses were properly approved and were in compliance with Federal Travel Regulations and/or Department of State Standard Travel Regulations (DSSR) requirements.

From our testing, we found no questioned costs within Travel Costs.

3. Other Direct Costs:

We reviewed vendor purchase orders, related vendor invoices and verified agreement with amounts recorded and claimed. In addition, we verified that contract requirements were complied with.

From our testing, we found no questioned costs within Other Direct Costs.

4. Equipment and Supplies Costs:

We reviewed equipment and supplies procured by CEPPS, as well as equipment directly procured by USAID for CEPPS' use. This included examining vendor purchase orders and related invoices to ensure that the amounts matched what was recorded and claimed. We also checked whether the equipment and supplies existed and was used for its intended purpose, according to the contract terms, and whether proper controls were in place to safeguard the equipment and supplies.

From our testing, we found no questioned costs within Equipment and Supplies Costs.

5. Contractual Costs:

We reviewed contractual invoices and verified that hours and hourly rates charged agreed to contractual agreements and amounts recorded and claimed. Additionally, we performed analytical procedures on the claimed amounts to verify their mathematical accuracy, ensure consistency with historical amounts via comparative/trend analysis, and review for unallowable costs via nomenclature reviews.

From our testing, we found no questioned costs within Contractual Costs.

6. Reconciliation of Booked to Billed Costs:

This incurred cost audit included performing a reconciliation, by USAID contract, between the total adjusted cumulative allowable costs booked and the total cumulative amount billed from January 1, 2018, to December 31, 2022, and reporting any over/ under-billing amounts. Based on the results of the reconciliation, CEPPS did not overbill. See Schedule B for CEPPS's billings by USAID contract from January 1, 2018, to December 31, 2022.

Our audit results are summarized in the following reports and schedules:

Incurred Costs: We issued an unqualified opinion on the fairness of the presentation of the Incurred Costs [See Independent Auditor's Report on the Incurred Costs, Page 9].

We determined that an adequate accounting system was in place to account for and classify costs incurred properly.

Internal Controls: Our audit detected no significant deficiencies in CEPPS' Internal Control.

Compliance with Laws and Regulations: Our audit detected no instance of non-compliance that is required to be reported.

Follow-Up to Prior Audit Recommendations: We requested copies of prior audits, reviews, and evaluations related to CEPP's work under the contract. Per communication with CEPPS and USAID, no prior audit findings could have a material effect on the incurred costs.

Schedule A – Schedule of Allowable Costs by Contract: This schedule summarizes by USAID contract the claimed costs that are considered allowable and reimbursable.

Schedule B – Reconciliation of Booked to Billed Costs: This schedule summarizes by USAID contract, the total adjusted cumulative cost booked to date, compares it to the cumulative amount billed and reports any over/under billing amounts.

NOTIFICATION OF FINDINGS AND RECOMMENDATIONS (NFRs), CEPPS'S RESPONSES, AND AUDITOR'S CONCLUSIONS

Based on the results of our testing, no findings were identified within the samples reviewed.

CONCLUSION

We conclude that CEPPS has prepared its Incurred Cost Submissions in accordance with applicable Government acquisition regulations of the FAR, the AIDAR, and the DSSR regarding allowability, allocability, and reasonableness of incurred costs. We also determined that CEPPS did not over or underbill USAID from FY2018 to FY2022. Based on the incurred cost audit procedures performed and the results obtained, we have met our audit objective.

INDEPENDENT AUDITOR’S REPORT ON THE INCURRED COSTS

Opinion

We have audited the incurred costs of Consortium for Elections and Political Process Strengthening (CEPPS) for USAID Award Number AID-121-LA-16-00001 which comprise Personnel, Fringe Benefits, Travel, Equipment, Supplies, Contractual and Other related costs, for the period of January 1, 2018, to December 31, 2022.

In our opinion, the incurred costs referred to above presents fairly, in all material respects, costs reimbursed by the U.S. Agency for International Development (USAID) for the period January 1, 2018, to December 31, 2022, in accordance with the terms of the contract or in conformity with the accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Incurred Costs section. We are required to be independent of CEPPS and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management’s Responsibility for the Incurred Costs

Management is responsible for the preparation and fair presentation of the incurred costs in accordance with the requirements specified by the U.S. Agency for International Development (USAID), and accounting principles generally accepted in the United States of America. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of incurred costs that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibilities for the Audit of the Incurred Costs

Our objectives are to obtain reasonable assurance about whether the incurred costs as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with the U.S. Government Auditing Standards issued by the Comptroller General of the United States will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the incurred cost submissions.

In performing an audit in accordance with the generally accepted auditing standards and the Government Auditing Standards, issued by the Comptroller General of the United States, we:

- Plan and perform the audit to obtain reasonable assurance about whether the incurred costs are free of material misstatement.
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the incurred costs, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the incurred costs.
- Obtain an understanding of internal control and perform tests of internal controls in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CEPPS' internal control. Accordingly, no such opinion is expressed.
- Perform procedures to determine whether CEPPS has complied with applicable laws, regulations, and the terms and conditions of USAID contracts that could have a direct and material effect.
- Follow up on prior audit findings.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the incurred costs.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

We believe that our audit provides a reasonable basis for our opinion.

Other Reports Required by Government Auditing Standards

In accordance with U.S. Government Auditing Standards, we have also issued our reports, dated January 27, 2025, on our consideration of CEPPS' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and the terms and conditions of the USAID contracts. Those reports are an integral part of an audit performed in accordance with U.S. Government Auditing Standards and should be read in conjunction with this Independent Auditor's Report in considering the results of our audit.

Restriction on Use

This report is intended solely for the information, and use of CEPPS management, the Government Accountability Office, Congress, and the U.S. Agency for International Development (USAID) and is not intended to be and should not be used by anyone other than these specified parties.

Premier Group Services, Inc.

Lanham, MD
January 27, 2025

INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL

We have audited the Consortium for Elections and Political Process Strengthening incurred costs (CEPPS) for January 1, 2018, to December 31, 2022, and have issued our report thereon dated January 27, 2025. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit of the incurred costs for the period of January 1, 2018, to December 31, 2022, we considered CEPPS’ internal control over financial reporting by obtaining an understanding of the design effectiveness of CEPPS’ internal control, determining whether controls had been placed in operation, assessing control risk, and performing tests of CEPPS’ controls as a basis for designing our auditing procedures for the purpose of expressing our opinion on the incurred costs, but not to express an opinion on the effectiveness of CEPPS’ internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of CEPPS’ internal control over financial reporting. We limited our internal control testing to those controls necessary to achieve the objectives described in the GAO’s Standards for Internal Controls in the Federal Government.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s incurred costs will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purposes described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses or significant deficiencies.

Our audit detected no significant matters involving CEPPS’ Internal Control and its operations.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and the result of that testing and not to provide an opinion on the effectiveness of CEPPS’ internal control. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering CEPPS’ internal control. Accordingly, this communication is not suitable for any other purpose.

Restriction on Use

This report is intended solely for the information, and use of CEPPS management, the Government Accountability Office, Congress, and the U.S. Agency for International Development (USAID) and is not intended to be and should not be used by anyone other than these specified parties.

Premier Group Services, Inc.

Lanham, MD
January 27, 2025

INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE

We have audited the incurred costs of the Consortium for Elections and Political Process Strengthening (CEPPS) for the period of January 1, 2018, to December 31, 2022, and have issued our report thereon dated January 27, 2025. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the Government Auditing Standards, issued by the Comptroller General of the United States.

The management of CEPPS is responsible for complying with laws, regulations, contracts, and grant requirements applicable to its U.S. Agency for International Development (USAID)-funded program. We performed tests of its compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of incurred cost amounts, and certain other laws and regulations specified in the Uniform Guidance 2 CFR 200. We limited our tests of compliance to these provisions, and we did not test compliance with all laws and regulations applicable to CEPPS.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether CEPPS’ incurred costs are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and significant provisions of contracts, noncompliance with which could have a direct and material effect on the determination of incurred cost amounts, and certain other laws and regulations. We limited our tests of compliance to these provisions, and we did not test compliance with all laws and regulations applicable to CEPPS. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests of compliance disclosed no instances of noncompliance or other matters that are required to be reported herein under Government Auditing Standards or Uniform Guidance 2 CFR 200.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on CEPPS’ compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering CEPPS’ compliance. Accordingly, this communication is not suitable for any other purpose.

Restriction on Use

This report is intended solely for the information, and use of CEPPS management, the Government Accountability Office, Congress, and the U.S. Agency for International Development (USAID) and is not intended to be and should not be used by anyone other than these specified parties.

Premier Group Services, Inc.

Lanham, MD

January 27, 2025

STATUS OF PRIOR AUDIT FINDINGS

We also requested copies of prior audits, reviews, and evaluations related to CEPPS' activities under the USAID contract. Per communication with CEPPS, there were no prior audit findings that could have a material effect on the incurred costs.

SUPPLEMENTAL SCHEDULES

Schedule A – Schedule of Allowable Costs by USAID Contract

USAID Contract	Schedule	January 1, 2018- December 31, 2022 Total Costs	Questioned Costs – Ineligible*	Questioned Costs – Unsupported**	Accepted January 1, 2018-December 31,2022 Costs	Finding
AID-121-LA-16-00001 (IFES)	A-1	\$ 18,793,397	-	-	\$ 18,793,397	N/A
AID-121-LA-16-00001 (IRI)	A-2	\$ 13,713,236	-	-	\$ 13,713,236	N/A
AID-121-LA-16-00001 (NDI)	A-3	\$14,659,670	-	-	\$14,659,670	N/A
Total USAID Contracts		\$ 47,166,303			\$ 47,166,303	

Schedule A-1 – Schedule of Allowable Costs – USAID Contract No. AID-121-LA-16-00001

Contract Number: AID-121-LA-16-00001

Contract Name: International Foundation for Electoral Systems (IFES)

Contract Type: Reimbursement

Funding Amount: \$ 26,216,667

Cost Element	January 1, 2018- December 31, 2022 Total Costs	Questioned Costs - Ineligible	Questioned Costs - Unsupported	January 1, 2018- December 31, 2022 Accepted Costs	Finding
Direct Costs					
Personnel	\$4,840,374	-	-	\$4,840,374	
Fringe Benefits	\$ 853,803	-	-	\$ 853,803	
Travel	\$ 755,875	-	-	\$ 755,875	
Equipment	\$ 108,072	-	-	\$ 108,072	
Supplies	\$ 64,082	-	-	\$ 64,082	
Contractual	\$ 7,345,429	-	-	\$ 7,345,429	
Other Direct Cost	\$ 1,318,000	-	-	\$ 1,318,000	
Total Direct Costs	\$ 15,285,635			\$ 15,285,634	
Indirect Costs					
Partner Indirect Cost	\$ 3,242,983	-	-	\$ 3,242,983	
CEPPS Indirect Cost	\$ 264,790	-	-	\$ 264,790	

Total Costs	\$ 18,793,397			\$ 18,793,397
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Schedule A-2 – Schedule of Allowable Costs – USAID Contract No. AID-121-LA-16-00001

Contract Number: AID-121-LA-16-00001

Contract Name: International Republican Institute

Contract Type: Reimbursement

Funding Amount: \$ 20,141,667

Cost Element	January 1, 2018- December 31, 2022 Total Costs	Questioned Costs - Ineligible	Questioned Costs - Unsupported	January 1, 2018- December 31, 2022 Accepted Costs	Finding
Direct Costs					
Personnel	\$ 2,253,893	-	-	\$ 2,253,893	
Fringe Benefits	\$ 870,098	-	-	\$ 870,098	
Travel	\$ 1,670,672	-	-	\$ 1,670,672	
Equipment	-	-	-	-	
Supplies	\$ 426,389	-	-	\$ 426,389	
Contractual	\$ 5,074,256	-	-	\$ 5,074,256	
Other Direct Cost	\$ 1,125,438	-	-	\$ 1,125,438	
Total Direct Costs	\$ 11,420,747			\$ 11,420,747	
Indirect Costs					
Partner Indirect Cost	\$ 2,093,770	-	-	\$ 2,093,770	
CEPPS Indirect Cost	\$ 198,719	-	-	\$ 198,719	
Total Costs	\$ 13,713,236			\$ 13,713,236	

Schedule A-3 – Schedule of Allowable Costs – USAID Contract No. AID-121-LA-16-00001

Contract Number: AID-121-LA-16-00001
Contract Name: National Democratic Institute for International Affairs (NDI)
Contract Type: Reimbursement
Funding Amount: \$24,541,667

Cost Element	January 1, 2018- December 31, 2022 Total Costs	Questioned Costs - Ineligible	Questioned Costs - Unsupported	January 1, 2018- December 31, 2022 Accepted Costs	Finding
Direct Costs					
Personnel	\$ 1,744,514	-	-	\$ 1,744,514	
Fringe Benefits	\$ 714,471	-	-	\$ 714,471	
Travel	\$ 1,022,034	-	-	\$ 1,022,034	
Equipment	-	-	-	-	
Supplies	\$ 141,555	-	-	\$ 141,555	
Contractual	\$ 3,707,854	-	-	\$ 3,707,854	
Other Direct Cost	\$ 4,810,275	-	-	\$ 4,810,275	
Total Direct Costs	\$ 12,140,703			\$ 12,140,703	
Indirect Costs					
Partner Indirect Cost	\$ 2,307,761	-	-	\$ 2,307,761	
CEPPS Indirect Cost	\$ 211,206	-	-	\$ 211,206	
Total Costs	\$ 14,659,670			\$ 14,659,670	

* Ineligible costs: Costs that are explicitly questioned because they are unreasonable, prohibited by the FAR or applicable laws and regulations, or not program related.

** Unsupported costs: Costs that are not backed with adequate documentation or did not have required prior approvals or authorizations.

Schedule B – Reconciliation of Booked to Billed Costs

Contract Number	January 1, 2018- December 31, 2022 Total Allowable Costs	Less Contract Limitations/R ebates/Credits	Total Adjusted Allowable Costs	January 1, 2018- December 31, 2022, Billed Amount	Over/Under
AID-121-LA-16-00001 (IFES)	\$ 47,166,303	-	\$ 47,166,303	\$ 18,793,397	-
AID-121-LA-16-00001 (IRI)	\$ 47,166,303	-	\$ 47,166,303	\$ 13,713,236	-
AID-121-LA-16-00001 (NDI)	\$ 47,166,303	-	\$ 47,166,303	\$ 14,659,670	-
Total Costs	\$ 47,166,303		\$ 47,166,303	\$ 47,166,303	-