



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

### MEMORANDUM

**DATE:** October 26, 2022

**TO:** USAID/Iraq Mission Director, John Cardenas

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

**SUBJECT:** Independent Audit Report on IFES's and IRI's Direct Costs Incurred and Billed Through the Consortium for Elections and Political Process Strengthening Under USAID/Iraq Cooperative Agreement 72026718LA00002, October 1, 2020, to September 30, 2021 (8-267-23-001-D)

This memorandum transmits the final audit report on International Foundation for Electoral Systems and International Republican Institute direct costs incurred and billed through the Consortium for Elections and Political Process Strengthening under USAID/Iraq agreement 72026718LA00002, from September 30, 2020, to September 30, 2021. USAID/Iraq contracted with the Defense Contract Audit Agency (DCAA) to conduct the audit. DCAA stated that it performed its audit in accordance with generally accepted government auditing standards. DCAA is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on the auditee's statement of proposed direct costs; or its compliance with the award, laws, and regulations.<sup>1</sup>

The engagement objectives were mainly to express an opinion on whether the incurred and billed direct costs comply, in all material respects, with applicable agreement terms from October 1, 2020, to September 30, 2021. To answer the engagement objectives,

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<sup>1</sup> We reviewed DCAA'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.

DCAA performed the subject audit that covered \$5,904,945 in costs from October 1, 2020, to September 30, 2021.

DCAA did not identify any questioned costs and qualified its opinion because of a scope limitation pertaining to lack of real time labor cost testing. DCAA said that except for the effects of non-compliances, if any, that they might have identified had they performed real-time testing of labor, the direct costs incurred and reported in the auditee's incurred cost submission comply, in all material respects, with the terms and conditions of agreement 72026718LA00002, for the period October 1, 2020, to September 30, 2021.

The report does not contain any recommendations for your action.

The 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").