



MEMORANDUM

DATE: May 5, 2019

TO: USAID/Afghanistan Mission Director, Peter Natiello

FROM: USAID OIG Middle East and Eastern Europe (ME&EE) Regional Office, USDH NFA Coordinator, Abdoulaye Gueye /s/

SUBJECT: Financial Audit of Costs Incurred by Checchi and Company Consulting, Inc., Under Multiple Awards in Afghanistan, April 15, 2016, to March 31, 2018 (Report No. 8-306-19-014-N)

This memorandum transmits the final audit report on the financial audit of costs incurred by Checchi and Company Consulting, Inc. under the following awards:

Award Name (Type)	Award Number	Period	Subimplementer
Support II	AID-306-C-12-00012	July 1, 2016 to March 31, 2018	N/A
Assistance for Development of Afghan Legal Access and Transparency (ADALAT)	AID-306-TO-16-00007	April 15, 2016 to September 30, 2017	N/A

The USAID/Afghanistan contracted with the independent certified public accounting firm CohnReznick 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 Checchi's 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 from April 15, 2016, to March 3, 2018, was presented fairly, in all material respects; (2) evaluate the Checchi's internal controls; (3) determine whether Checchi complied with award terms and applicable laws and regulations; (4) verify that the correct Indirect Cost rate(s) have been applied in accordance with the terms of the award and Negotiated Indirect Cost Rate Agreement; and (5) determine if Checchi has taken adequate corrective action on prior external audit report recommendations. To answer the audit objectives, the auditors performed the subject financial audit that covered \$20,400,447 for the period from April 15, 2016, to March 31, 2018.

The auditors expressed an unmodified opinion on the schedule of costs incurred and did not identify any questioned cost. The auditors did not identify any material internal control weaknesses. The auditors did not identify any instance of noncompliance.

The report does not contain any recommendation 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").

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.