



## MEMORANDUM

**DATE:** May 20, 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 KNCV Tuberculosis Foundation, Challenge TB Program in Afghanistan, Cooperative Agreement AID-OAA-A-14-00029, January 1, 2015, to September 30, 2017 (8-306-19-023-N)

This memorandum transmits the final audit report on financial audit of costs incurred by KNCV Tuberculosis Foundation, Challenge TB Program in Afghanistan, cooperative agreement AID-OAA-A-14-00029, January 1, 2015, to September 30, 2017. The agency contracted with the independent certified public accounting firm Crowe LLP 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 KNCV's schedule of costs incurred; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.<sup>1</sup>

The audit objectives were to: (1) express an opinion on whether the schedule of costs incurred for the period audited, was presented fairly, in all material respects; (2) evaluate the KNCV's internal controls; (3) determine whether KNCV complied with award terms and applicable laws and regulations; and (4) determine whether the auditee has taken corrective action on prior audit report recommendations. To answer the audit objectives, the audit firm performed the

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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.

subject financial audit that covered \$7,647,083 for the period Jan 1, 2015 to Sep 30, 2017.

The audit firm concluded that the schedule of costs incurred presented fairly, in all material respects, program revenues and costs incurred under the award for the period audited and did not identify any questioned costs. The audit firm did not identify any material internal control weaknesses or significant deficiency in internal control. The audit firm did not identify any material instances of noncompliance with the agreement terms and applicable laws and regulations.

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").