



# OFFICE OF INSPECTOR GENERAL

## U.S. Agency for International Development

### MEMORANDUM

**DATE:** April 17, 2023

**TO:** USAID/Afghanistan Mission Director, Sean Callahan

**FROM:** USAID OIG Asia Regional Office Assistant Director, Rhonda M. Horried /s/

**SUBJECT:** Audit of the Schedule of Expenditures of USAID Awards Under Contract AID-OAA-TO-15-00010; Managed by Chemonics International, Inc., Global Health Supply Chain Management - PRH Program in Afghanistan, January 1, 2019 to December 31, 2020 (5-306-23-004-N)

This memorandum transmits the final audit report of the schedule of expenditures of USAID awards under contract AID-OAA-TO-15-00010, managed by Chemonics International, Inc., (Chemonics), Global Health Supply Chain Management - Population and Reproductive Health program in Afghanistan, from January 1, 2019 to December 31, 2020. USAID/Afghanistan contracted with CliftonLarsenAllen LLP to conduct the subject audit.

CliftonLarsenAllen LLP submitted an initial audit report on September 6, 2022, which USAID OIG Asia regional office reviewed and rejected. USAID OIG Asia regional office communicated to USAID/Afghanistan the reasons for the rejection in a memorandum dated January 31, 2023. CliftonLarsenAllen LLP subsequently submitted a revised audit report dated February 8, 2023 addressing our rejection reasons.

The audit firm stated it performed its audit in accordance with generally accepted government auditing standards and the USAID Financial Audit Guide for Foreign Organizations. The audit firm is responsible for the enclosed audit report and the conclusions expressed in it. We do not express an opinion on the awardee's schedule of expenditures, 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 Chemonics' schedule of expenditures for the period audited was presented fairly, in all material respects; (2) evaluate its internal controls related to the funded program; (3) determine whether it complied with award terms and applicable laws and regulations; and (4) determine if it has taken adequate corrective actions on prior audit recommendations. To answer the audit objectives, the audit firm

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<sup>1</sup> We reviewed the audit firm's revised report for conformity with professional reporting standards. Our desk reviews are typically performed to identify items that need clarification or issues that require management attention. Desk reviews are limited to review of the audit report itself and exclude review of the auditor's supporting working papers; they are not designed to enable us to directly evaluate the quality of the audit performed.

performed the subject financial audit that covered \$1,339,285 in USAID costs during the audit period.

The audit firm concluded that the schedule of expenditures presented fairly, in all material respects, revenues and costs incurred for the audit period. The audit firm did not identify any questioned costs, material weaknesses in internal control, or instances of material noncompliance.

During our desk review, we noted an issue that the audit firm will need to address in its future audit reports. We presented this issue in a memorandum to the mission controller dated April 17, 2023.

The report does not include 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”).