



MEMORANDUM

DATE: July 10, 2019

TO: USAID/Afghanistan Mission Director, Peter Natiello

FROM: USAID OIG Middle East and Eastern Europe Regional Office, USDH NFA Coordinator, Abdoulaye Gueye /s/

SUBJECT: Audit of Costs Incurred by International Relief and Development, Inc., Under Multiple Programs in Afghanistan, January 1, 2016, to December 31, 2017 (8-306-19-040-N)

Award Name (Type)	Award Number	Period	Sub-implementer
Engineering, Quality Assurance, and Logistical Support Program (EQUALS) (Closeout)	AID-306-C-00-11-00512	January 1, to April 17, 2016	N/A
Kandahar Food Zone Program (KFZ)	AID-306-A-13-00008	October 1, 2016, to December 31, 2017	N/A

This memorandum transmits the final report on the audit of costs incurred by International Relief and Development (IRD), Inc., under multiple programs in Afghanistan, for the period of January 1, 2016, to December 31, 2017. USAID/Afghanistan contracted with the independent certified public accounting firm Davis and Associates Certified Public Accountants 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 IRD'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 audited was presented fairly, in all material respects; (2) evaluate the IRD's internal controls; (3) determine whether IRD complied with award terms and applicable laws and regulations; and (4) determine if IRD has taken adequate corrective action on prior report recommendations. To answer the audit objectives, the audit firm preformed the subject audit that covered \$15,086,809 for period from January 1, 2016, to December 31, 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 weaknesses and significant deficiencies in internal control. The audit firm did not identify any instances of material noncompliance.

The report does not contain any recommendation for your action.

We appreciate the assistance extended to 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").

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.