



## MEMORANDUM

**DATE:** July 11, 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 The Asia Foundation, Under the Survey of the Afghanistan People Program in Afghanistan, Grant Number AID-306-G-12-00003, October 1, 2015, to April 30, 2018 (8-306-19-045-N)

This memorandum transmits the final report on financial audit of costs incurred by The Asia Foundation, under the Survey of the Afghanistan People program in Afghanistan, grant number AID-306-G-12-00003, for the period from October 1, 2015, to April 30, 2018. The USAID/Afghanistan contracted with the independent certified public accounting firm Davis and Associates Certified Public Accountants, PLLC 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 the Asia Foundation'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 Asia Foundation's internal controls; (3) determine whether The Asia Foundation 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 the negotiated indirect cost

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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.

agreement; (5) determine if The Asia Foundation has taken adequate corrective action on prior audit report recommendations; and (6) determine whether the cost sharing schedule is fairly presented in accordance with the basis of accounting used by The Asia Foundation to prepare the cost sharing schedule, and provided contributions in accordance with terms of the agreement . To answer the audit objectives, the audit firm performed the subject audit the covered \$1,273,137 for the period from October 1, 2015, to April 30, 2018.

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 auditors did not identify any material weaknesses or significant deficiency in internal control. The auditors 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”).