



## MEMORANDUM

**DATE:** June 29, 2020

**TO:** USAID/Afghanistan Mission Director, Peter Natiello

**FROM:** USAID OIG Middle East and Eastern Europe (ME/EE) Regional Office, USDH  
NFA Coordinator, John Vernon /s/

**SUBJECT:** Audit of the Fund Accountability Statement of Management Systems International, Afghanistan's Measure for Accountability and Transparency Project, Task Order 306-AID-306-H-17-00003, August 23, 2017 to September 30, 2018 (8-306-20-039-N)

This memorandum transmits the final audit report on the fund accountability statement of Management Systems International, Afghanistan's Measure for Accountability and Transparency project in Afghanistan, Task Order 306-AID-306-H-17-00003, from August 23, 2017 to September 30, 2018. USAID/Afghanistan contracted with the independent certified public accounting firm Samson T A and Associates, PLLC to conduct the audit. The audit firm stated that it performed its audit in accordance with U.S. Government Auditing Standards issued by the Comptroller General of the United States. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on the auditee's fund accountability; internal control effectiveness; or its compliance with the award, laws, and regulations.<sup>1</sup>

The audit objectives were mainly to: (1) express an opinion on whether the fund accountability statement presents fairly, in all material respects, the funds received and costs incurred and commodities directly procured by USAID for the period audited; (2) evaluate and obtain a sufficient understating of the auditee's internal controls, assessing control risk; and (3) determine whether the auditee complied, in all material respects, with the contract terms and applicable laws and regulations that have a direct and material effect on the fund accountability

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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.

statement. To answer the audit objectives, the audit firm performed the subject financial audit that covered \$1,861,202 for the period from August 23, 2017 to September 30, 2018.

The auditors expressed an unmodified opinion on the fund accountability statement and didn't identify any questioned costs. The auditors did not identify any material internal control weakness but identified one material instance of noncompliance.

During our desk review, we noted minor issues which the audit firm will need to address in future audit reports. We presented these issues in a memo to controller, dated June 29, 2020.

To address the issues identified in the report, we recommend that USAID/Afghanistan:

**Recommendation I:** Verify that Management Systems International corrects the one instance of material noncompliance detailed on pages 25 and 26 of the audit report.

We ask that you provide your written notification of actions planned or taken to reach the management decision. We appreciate the assistance extended 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").