



MEMORANDUM

DATE: May 20, 2021

TO: USAID/Afghanistan Mission Director, Tina Dooley-Jones

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

SUBJECT: Closeout Audit of the Fund Accountability Statement of Internews Network Inc., RASANA (Media) Program in Afghanistan, Cooperative Agreement AID-306-A-17-00001, January 1, 2019 to March 28, 2020 (8-306-21-030-N)

This memorandum transmits the final closeout audit report of the fund accountability statement of Internews Network Inc., RASANA (Media) program in Afghanistan, cooperative agreement AID-306-A-17-00001, from January 1, 2019 to March 28, 2020. 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 the 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 auditee's fund accountability statement, internal control effectiveness or its compliance with the award, laws, and regulations.¹

The audit objectives were mainly to: (1) express an opinion on whether the fund accountability statement for the period audited was fairly presented, in all material respects; (2) evaluate the auditee's internal controls; and (3) determine whether the auditee complied with applicable laws and regulations. To answer the audit objectives, the audit firm performed the subject financial audit that covered \$4,104,436 from January 1, 2019, to March 28, 2020.

The auditors expressed an unmodified opinion on the fund accountability statement and questioned \$66,848 (\$51,594 ineligible, and \$15,254 unsupported). The auditors identified two

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.

material internal control weaknesses for: 1) not complying with the National Technical Assistance salary scale and guidelines and 2) not keeping adequate supporting documents for international travel costs. The auditors also identified one material instance of noncompliance with the award terms and applicable laws and regulations. In addition, although we are not making a recommendation for the significant deficiencies noted in the report, we suggest that USAID/Afghanistan determine if the recipient addressed these issues noted. Since this award ended, and Internews Network Inc. has no current awards with USAID/Afghanistan, USAID/OIG ME/EE Regional Office is not including procedural recommendations regarding the internal control material weaknesses or the material instance of noncompliance. However, if USAID/Afghanistan considers future awards to the auditee, it should ensure that adequate policies and procedures are established and implemented to address these findings, as detailed on pages 26 to 38 of the audit report.

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 the controller, dated May 20, 2021. Further, the report included Personally Identifiable Information in pages number 26 and 27.

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

Recommendation I: Determine the allowability of \$66,848 in questioned costs (\$51,594 ineligible and \$15,254 unsupported) detailed on pages 26 to 32 and 34 to 36 of the audit report and recover any amount that is unallowable.

We ask that you provide your written notification of actions planned or taken to reach management decision.

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”).