



OFFICE OF INSPECTOR GENERAL U.S. Agency for International Development

MEMORANDUM

DATE: May 10, 2022

TO: USAID/Afghanistan Mission Director, Peter Duffy

FROM: USAID OIG Asia Regional Office USDH NFA Coordinator, Rhonda M. Horried /s/

SUBJECT: Financial Audit of Costs Incurred in Afghanistan by Blumont Global Development, Inc. Under the Conflict Mitigation Assistance for Civilians Program, Cooperative Agreement No. 72030618CA00005, June 1 to October 31, 2020 (5-306-22-010-N)

This memorandum transmits the final audit report on the schedule of expenditures of USAID awards for the Conflict Mitigation Assistance for Civilians (COMAC) program in Afghanistan managed by Blumont Global Development, Inc. (Blumont) from June 1 to October 31, 2020. USAID/Afghanistan contracted with the independent certified public accounting firm Castro & Company, LLC to conduct the audit. The audit firm stated that it performed its audit in accordance with U.S. 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 auditee's schedule of expenditures of USAID awards; the effectiveness of its internal control; or its compliance with the awards, laws, and regulations¹.

The audit objectives were to (1) express an opinion on whether Blumont's schedule of expenditure of USAID awards for the COMAC program for the audited period was presented fairly, in all material respects; (2) evaluate Blumont's internal controls; (3) determine whether Blumont complied with award terms and applicable laws and regulations (including indirect costs requirements); and (4) determine whether the auditee has taken adequate corrective actions on prior audit recommendations. The audit covered \$3,643,442 in revenues and costs, respectively, for the audited period.

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.

The audit firm concluded that the schedule of expenditure of USAID awards for the COMAC program presented fairly, in all material respects, revenues, costs incurred and reimbursed, and commodities and technical assistance directly procured by USAID for the audited period. The audit firm did not identify any deficiencies in internal control, questioned costs, or instances of noncompliance with award terms and applicable laws and regulations.

The audit firm verified the accuracy of the rates and the bases applied to the indirect costs. The audit firm reported that Blumont has taken corrective actions to address all the previous recommendations.

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”).