

OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

UKRAINE: Audit of Costs Incurred by 100% Life, from January 1, 2018, to December 31, 2022

Audit Report 3-000-25-006-U

February 21, 2025





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

MEMORANDUM

DATE: February 21, 2025

TO: USAID/Ukraine Mission Controller, Robin Sharma

FROM: Deputy Assistant Inspector General for Audits, Inspections, and Evaluations,
Khadija Walker /s/

SUBJECT: UKRAINE: Audit of Costs Incurred by 100% Life, from January 1, 2018,
to December 31, 2022 (3-000-25-006-U)

Enclosed is the final audit report on the claimed costs incurred by 100% Life for the period of January 1, 2018, to December 2022.¹ 100% Life's work is related to strengthening Ukraine's eHealth system and reducing corruption through support of the national eHealth system as the foundation of the health reforms. Additionally, the aim of their HealthLink Project is to expedite access of People Living with HIV to quality HIV prevention and treatment services. The Office of Inspector General (OIG) contracted with the independent certified public accounting and consulting firm of Premier Group Services, Inc. (Premier Group) to conduct a performance audit to determine allowability, allocability and reasonableness of 100% Life's claimed costs incurred.² The contract required Premier Group to perform this audit in accordance with generally accepted government auditing standards.

In carrying out its oversight responsibilities, OIG reviewed the audit firm's report and related audit documentation and discussed the findings with the firm's representatives. The audit firm is responsible for the enclosed auditor's report and the conclusions. That said, we found no instances in which the audit firm failed to comply, in all material respects, with applicable standards.

¹ Pursuant to the Pub. L. No. 117-263 § 5274, USAID OIG provides nongovernmental organizations and/or businesses specifically identified in this report 30 days from the date of report publication to submit a written response to USAID OIG. Any comments received will be posted on <https://oig.usaid.gov/>. Please direct inquiries to oignotice_ndaa5274@usaid.gov.

² The contract provided for similar performance audits for a total of 11 different USAID recipients, the results of which are reported and transmitted separately.

The objectives of the audit were to:

1. Express an opinion on whether costs incurred by 100% Life under the subject awards for the period audited are fairly presented and in conformity with the terms of regulatory and award requirements and generally accepted accounting principles.
2. Identify as unsupported, unreasonable, or ineligible, any questioned costs incurred in implementing the USAID activities for the period audited in conformity with the terms of the regulatory and award requirements and generally accepted accounting principles.
3. Evaluate 100% Life's contract bidding and procurement processes to determine whether they complied with regulatory and award requirements.
4. Evaluate and obtain sufficient understanding of 100% Life's internal controls, assess control risk, and identify reportable conditions, including material internal control weaknesses.
5. Perform tests to determine whether 100% Life complied in all material respects with regulatory and award requirements related to USAID-funded programs and projects.
6. Determine the extent to which 100% Life delivered, accounted for, and made proper disposition of commodities and supplies purchased under the contracts or furnished by USAID.
7. Determine the extent to which 100% Life requested from USAID the necessary approval for the issuance of subawards according to regulatory and award requirements.
8. Determine whether 100% Life has taken corrective actions on prior audit report recommendations.

To answer the audit objectives, Premier Group obtained a sufficient understanding of 100% Life's internal control environment, identified significant provision of laws and regulations to design relevant compliance-related procedures, followed up on prior audit recommendations and examined the following incurred cost elements: Labor Cost (Fringe Benefits, President's Emergency Plan for AIDS Relief/Coronavirus disease (PEPFAR/COVID), Travel, Other Direct Costs, and Subawards. Premier Group conducted interviews and walkthroughs, and requested copies of any prior audits, reviews and evaluations related to 100% Life's work under the USAID contract.

Premier Group concluded that 100% Life generally met requirements under the USAID contract related to all eight of the audit objectives. The audit firm found that 100% Life complied with the standards set by their awards, and that costs incurred were allowable, allocable, and reasonable. The audit firm did not identify any material weaknesses in internal control over financial reporting and found no reportable noncompliance with applicable laws and regulations.

However, Premier Group identified weaknesses and questioned direct labor costs (including fringe benefits) in the amount of \$82,661 due to inadequate and incomplete supporting documentation.

To address the weaknesses identified in Premier Group's report, we recommend that USAID/Ukraine's Controller:

Recommendation 1. Determine the allowability of \$82,661 in questioned costs on page 8 of 20 of the audit report and recover any amount that is unallowable.

Recommendation 2. Implement a routine process for reviewing and reconciling transaction documentation with the general ledger. This should include periodic checks to identify and resolve any discrepancies in a timely manner.

We are issuing this final audit report without the written comments due to the agency's inability to provide management comments and we will reissue this report if/when we receive them. The recommendations will be considered open and unresolved.

We appreciate the assistance provided to our staff and the audit firm's employees during the engagement.



100% LIFE
87 LETTER "B", MEZHYHIRSKA STREET, 04080 KYIV, UKRAINE

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID)
OFFICE OF INSPECTOR GENERAL (OIG)
INCURRED COST AUDITS OF USAID UKRAINE RESOURCES
CONTRACT NUMBER: GS00F100GA
PERIOD JANUARY 1, 2018, TO DECEMBER 31, 2022

DATE: JANUARY 29, 2025

Prepared by
Premier Group Services, Inc.
7404 Executive Place, Suite 325
Lanham, MD 20706

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EXECUTIVE SUMMARY

Mr. David A. McNeil
Director, External Financial Audit Division
U.S. Agency for International Development (USAID)
Office of Inspector General (OIG)
1300 Pennsylvania Avenue, NW
Washington, DC 20523

Dear Mr. McNeil:

This report presents our results of the incurred cost audit of 100% Life for the calendar period of January 1, 2018, to December 31, 2022. Our audit fieldwork was performed between September 15, 2023, and January 29, 2025, and our results, reported herein, are as of January 29, 2025.

Our audit objective was to determine whether the incurred costs from FY2018 to FY2022 were allowable, allocable, and reasonable in accordance with the 100% Life's contracts with USAID and applicable government acquisition regulations.

We tested the significant claimed cost elements: Labor Cost (Fringe Benefits, PEPFAR/COVID), Travel, Other Direct Costs, and Subawards. This report summarizes our testing results as per the Federal Acquisition Regulation (FAR), Agency for International Development Acquisition Regulation (AIDAR), Department of State Standardized Regulations (DSSR) for travel-related expenses, 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Task order/Award Terms, and Other relevant regulations/policies.

We conducted this incurred cost audit in accordance with Government Auditing Standards issued by the Comptroller General of United States. Those standards require that we plan and perform the audit to obtain sufficient and appropriate evidence to provide a reasonable basis for our findings and recommendations based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Incurred Costs:

We questioned \$82,661 related to our testing of Direct Costs charged to USAID. See Schedule A-1 through A-3 for direct costs, by USAID contract, incurred from January 1, 2018, to December 31, 2022.

Reconciliation of Booked to Billed Costs:

This incurred cost audit included performing a reconciliation, by USAID contract, between the total adjusted cumulative allowable costs booked to date and the total cumulative amount billed from January 1, 2018, to December 31, 2022, and reporting any over/under-billing amounts. Based on the results of the reconciliation, 100% Life did not overbill or underbill USAID.

Report Schedules:

We have provided the following schedules for further detail:

- Schedule A – Schedule of Allowable Costs by Contract. This schedule summarizes by USAID contract the claimed costs that are considered allowable and reimbursable.
- Schedule B – Reconciliation of Booked to Billed Costs. This schedule summarizes by USAID contract, the total adjusted cumulative cost booked to date, compares it to the cumulative amount billed and reports any over/under billing amounts.

Allowability, Allocability, and Reasonableness of Incurred Costs

Overall, 100% Life has reported its incurred costs in accordance with the applicable regulations set forth in the FAR, the AIDAR, and/or the DSSR, and USAID contracts which relate to allowability, allocability, and reasonableness of incurred cost. However, based on our testing of incurred costs for the calendar period of January 1, 2018, to December 31, 2022, we questioned \$82,661 due to 100% Life's lack of documentation to evidence the incurred direct labor expenses.

Based on the incurred cost audit procedures performed and the results obtained, we have met our audit objective.

Sincerely,

Premier Group Services, Inc.

Lanham, MD
January 29, 2025

BACKGROUND

USAID Overview

The U.S. Agency for International Development (USAID) is an independent Federal agency headquartered in Washington, DC, with presence in 87 countries. Established in November 1961, USAID is the lead Federal agency that works to end extreme global poverty and enable resilient, democratic societies to realize their potential. USAID is headed by an Administrator and receives overall foreign policy guidance from the Secretary of State.

USAID OIG's mission is to safeguard and strengthen U.S. foreign assistance through timely, relevant, and impactful oversight of the entities under their jurisdiction.

100% Life Overview

100% Life is Ukraine's largest patient-led organization, dedicated to improving the lives of people living with HIV and advocating for patients' rights. As the primary recipient of Global Fund and USAID support in Ukraine, 100% Life also collaborates with the government on healthcare reforms, including the development of the country's eHealth system. Recognized as a leading philanthropist by the Ukrainian Philanthropic Forum, it works toward full treatment access for Ukrainian patients, driven by its core values of life, persistence, integrity, and creativity. From FY2018 to FY2022, 100% Life had the following USAID Awards:

Contract Number	Contract Name	Period of Performance	Total Amount Claimed
AID-121-A-17-00003	Health Link: Accelerating Ukraine's Efforts to End HIV (HealthLink)	September 18, 2017 - September 27, 2022	\$28,121,340.00
72012118CA00002	eHealth Infrastructure Development in Ukraine (eHealth)	September 18, 2017 - September 27, 2022	\$5,060,000.00

OBJECTIVE, SCOPE, AND METHODOLOGY

Objective

The objectives of the incurred cost audit in detail were to:

- Express opinion on whether costs incurred by 100% Life under the subject awards for the period audited are fairly presented and in conformity with the terms of regulatory and award requirements and Generally Accepted Accounting Principles (GAAP) or other comprehensive basis of accounting.
- Identify as unsupported, unreasonable, or ineligible, any questioned costs incurred in implementing the USAID activities for the period audited in conformity with the terms of the regulatory and award requirements and GAAP or other comprehensive basis of accounting (including the cash receipts and disbursements basis and modifications of the cash basis).

- Evaluate 100% Life’s contract bidding and procurement processes to determine whether they complied with all contract requirements of regulatory and award requirements.
- Evaluate and obtain a sufficient understanding of 100% Life’s internal controls, assess control risk, and identify reportable conditions, including material internal control weaknesses.
- Perform tests to determine whether 100% Life complied in all material respects with regulatory and award requirements related with USAID-funded programs and projects. All material instances of noncompliance and all indications of illegal acts that have occurred or are likely to have occurred must be identified and reported to OIG.
- Determine to the extent specified herein if 100% Life has delivered, accounted for, and made proper disposition of commodities and supplies purchased under the contract or furnished by USAID.
- Determine to the extent specified herein if 100% Life has requested from USAID the necessary approval for the issuance of subawards according to regulatory and award requirements.
- Determine whether 100% Life has taken corrective actions on prior audit report recommendations.

Scope & Methodology

We conducted our incurred cost audit in accordance with Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Incurred Costs: We examined 100% Life’s incurred cost elements: Labor Costs (Fringe Benefits, PEPFAR/COVID), Travel, Other Direct Costs, and Subawards. We reviewed the FAR, AIDAR, DSSR, 2 CFR 200, Task Order/Award Terms, and Other relevant regulations/policies to ensure that all costs incurred under the USAID contracts were reasonable, allocable, and allowable.

Internal Controls: Through inspection of documents, inquiry of personnel, and observation of procedures, we obtained a sufficient understanding of 100% Life and its environment, including its internal control, to assess the risk of material misstatement of the books and records of 100% Life, whether due to error or fraud, and to design the nature, timing, and extent of further audit procedures.

Compliance with Laws and Regulations: We identified the significant provisions of laws and regulations to design relevant compliance-related procedures for the audit. We looked at those provisions (a) for which compliance could be objectively determined and (b) that had a direct and material effect on the Activity. Our audit included steps to allow us to detect all material instances of noncompliance, defined as instances that could have a direct and material effect on the incurred costs.

Follow-Up to Prior Audit Recommendations: We inquired of management as to whether any prior audit or compliance reviews had been performed with respect to the USAID contracts. We inquired of management regarding any prior audits or compliance reviews conducted in relation to the USAID contracts.

AUDIT RESULTS

Our testing results, by cost element claimed from FY2018 to FY2022, are presented below:

1. Direct Labor (Fringe Benefits PEPF/COVID):

We reviewed all time and attendance records, payroll, personnel, and/or other records to determine if an employee was a valid employee who worked on the contract/award effort. We compared the total hours charged to each project with the payroll summary to ensure they matched and that the hours were within the approved level of effort (LOE) for each staff member.

We examined whether labor costs, including any changes or overtime, were properly approved and in line with FAR requirements or contract provisions. We also verified that salary rates and increases were approved by the USAID Contracting Officer (CO) when necessary and were supported by payroll records. Additionally, we compared the CO/Agreement Officer (AO)-approved staffing pattern to the staff list from 100% Life to ensure staffing changes complied with regulatory and contractual requirements.

From our testing, we questioned \$82,661 of direct labor costs (including Fringe Benefits) due to the lack of supporting documentation.

2. Travel Costs:

We reviewed vendor invoices, employee expense reports, airline tickets, etc., and verified agreements with amounts recorded and claimed. In addition, we verified that travel expenses were properly approved and were in compliance with Federal Travel Regulations and/or Department of State Standard Travel Regulations (DSSR) requirements.

From our testing, we found no questioned costs within Travel Costs.

3. Other Direct Costs:

We reviewed vendor purchase orders, related vendor invoices and verified agreements with amounts recorded and claimed. In addition, we verified that contract requirements were complied with.

From our testing, we found no questioned costs within Other Direct Costs.

4. Reconciliation of Booked to Billed Costs:

This incurred cost audit included performing a reconciliation, by USAID contract, between the total adjusted cumulative allowable costs booked and the total cumulative amount billed from January 1, 2018, to December 31, 2022, and reporting any over/ under-billing amounts. Based on the results of the reconciliation, 100% Life did not overbill USAID. See Schedule B for 100% Life's billings by USAID contract from January 1, 2018, to December 31, 2022.

Our audit results are summarized in the following reports and schedules:

Incurred Costs: We issued an unqualified opinion on the fairness of the presentation of the Incurred Costs [See Independent Auditor’s Report on the Incurred Costs, Page 9].

We determined that an adequate accounting system was in place to account for and classify costs incurred properly.

Internal Controls: Our audit detected one significant deficiency in 100% Life’s Internal Control.

Compliance with Laws and Regulations: Our audit detected no instance of non-compliance that is required to be reported.

Follow-Up to Prior Audit Recommendations: We requested copies of prior audits, reviews, and evaluations related to 100% Life’s work under the contract. Per communication with 100% Life and USAID, no prior audit findings could have a material effect on the incurred costs.

Schedule A – Schedule of Allowable Costs by Contract: This schedule summarizes by USAID contract the claimed costs that are considered allowable and reimbursable.

Schedule B – Reconciliation of Booked to Billed Costs: This schedule summarizes by USAID contract, the total adjusted cumulative cost booked to date, compares it to the cumulative amount billed and reports any over/under billing amounts.

NOTIFICATION OF FINDINGS AND RECOMMENDATIONS (NFRs), 100% LIFE’S RESPONSES, AND AUDITOR’S CONCLUSIONS

Finding 1: Inadequately Documented Direct Labor Expense

Conditions: 100% Life projects eHealth and Health Link incurred direct labor expenses during the audit period. Adequate supporting documentation and expense allocations were not provided to validate the documented general ledger expenses of \$82,661.

Cause: 100% Life projects eHealth and Health Link provided supporting documentation to evidence the incurred expenses documented in the respective general ledgers. The supporting documentation provided did not match the expenses documented in the respective general ledgers.

Criteria: §200.302 Financial Management. The non-federal entity must maintain a financial management system that ensures accurate tracking of funds, proper documentation for all transactions, and reconciliation with the general ledger to ensure accountability and compliance with applicable regulations.

Effect: The inadequate and incomplete supporting documentation provided did not validate the documented general ledger expense. This impacts the financial reporting accuracy, ultimately reducing the project's resource use efficiency.

Recommendations:

- Determine the allowability of questioned direct costs in the amount of \$82,661 and recover any amount that is unallowable.

- **Regular Review and Reconciliation:** Implement a routine process for reviewing and reconciling transaction documentation with the general ledger. This should include periodic checks to identify and resolve any discrepancies in a timely manner.

100% Life's Responses: 100% Life's allocation for administrative staff costs, office rent, office running costs, utilities and household expenses, communication costs, translation, working meetings (governing bodies, staff re-planning meetings, SMT, etc.) costs, financial consultancy costs, administrative bank charges etc. are included to this budget. The operational staff involved in the project partially according to project allocation of administrative costs performs overall administration on organizational level. To ensure a fair, transparent and reasonable distribution of operational office running costs including operational staff costs between projects implemented by "100% LIFE", a coefficient is applied to all shared administrative expenses based upon actual project staff involvement.

Per 100% Life according to their internal control procedures costs are shared between projects implemented by the organization based upon program staff's involvement in the project. The full fee for the auditors' services in 2020 was paid from the bank account of the Health Link project. To compensate for part of the fee that was to be paid from the eHealth project account, a memo was drawn up.

100% Life understands the complexity of all operations. 100% Life assures that all operations are carried out within the framework of projects thoroughly documented in compliance with donor requirements and Ukrainian legislation. Furthermore 100% Life projects are reviewed annually by external independent auditors.

Auditor's Conclusions:

100% Life provided a response to Finding 1 outlining their process and procedures for calculating direct labor expenses; however, we maintain that the identified issue regarding the lack of supporting documentation for direct labor expenses remains valid and should be included in the report. While 100% Life stated that costs are shared between projects to ensure a fair, transparent, and reasonable distribution of operational expenses, they did not provide adequate payroll documentation or a clear explanation demonstrating how direct labor expenses in the general ledger were calculated or how salary transfer expenses were determined.

CONCLUSION

We conclude that 100% Life has prepared its Incurred Cost Submissions in accordance with applicable Government acquisition regulations of the FAR, AIDAR, and the DSSR regarding allowability, allocability, and reasonableness of incurred costs. We also determined that 100% Life did not over or underbill USAID from FY2018 to FY2022. From our testing, we questioned \$82,661 due to unsupported direct costs (labor and fringe benefits). Based on the incurred cost audit procedures performed and results obtained, we have met our audit objective.

INDEPENDENT AUDITOR’S REPORT ON THE INCURRED COSTS

Opinion

We have audited the incurred costs of 100% Life for USAID Award Numbers AID-121-A-17-00003 and 72012118CA00002 which comprise Labor Costs (Fringe Benefits PEPF/COVID), Travel, Other Direct Costs, and Subaward for the period of January 1, 2018, to December 31, 2022.

In our opinion, the incurred costs referred to above presents fairly, in all material respects, costs reimbursed by the U.S. Agency for International Development (USAID) for the period January 1, 2018, to December 31, 2022, in accordance with the terms of the contract or in conformity with the accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Incurred Costs section. We are required to be independent of 100% Life and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management’s Responsibility for the Incurred Costs

Management is responsible for the preparation and fair presentation of the incurred costs in accordance with the requirements specified by the U.S. Agency for International Development (USAID), and accounting principles generally accepted in the United States of America. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of incurred costs that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibilities for the Audit of the Incurred Costs

Our objectives are to obtain reasonable assurance about whether the incurred costs as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with the U.S. Government Auditing Standards issued by the Comptroller General of the United States will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the incurred cost submissions.

In performing an audit in accordance with the generally accepted auditing standards and the Government Auditing Standards, issued by the Comptroller General of the United States, we:

- Plan and perform the audit to obtain reasonable assurance about whether the incurred costs are free of material misstatement.
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the incurred costs, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the incurred costs.
- Obtain an understanding of internal control and perform tests of internal controls in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 100% Life’s internal control. Accordingly, no such opinion is expressed.
- Perform procedures to determine whether 100% Life has complied with applicable laws, regulations, and the terms and conditions of USAID contracts that could have a direct and material effect.
- Follow up on prior audit findings.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the incurred costs.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

We believe that our audit provides a reasonable basis for our opinion.

Other Reports Required by Government Auditing Standards

In accordance with U.S. Government Auditing Standards, we have also issued our reports, dated January 29, 2025, on our consideration of 100% Life’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and the terms and conditions of the USAID contracts. Those reports are an integral part of an audit performed in accordance with U.S. Government Auditing Standards and should be read in conjunction with this Independent Auditor’s Report in considering the results of our audit.

Restriction on Use

This report is intended solely for the information, and use of 100% Life management, the Government Accountability Office, Congress, and the U.S. Agency for International Development (USAID) and is not intended to be and should not be used by anyone other than these specified parties.

Premier Group Services, Inc.

Lanham, MD

January 29, 2025

INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL

We have audited the 100% Life incurred costs for January 1, 2018, to December 31, 2022, and have issued our report thereon dated January 29, 2025. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit of the incurred costs for the period of January 1, 2018, to December 31, 2022, we considered 100% Life’s internal control over financial reporting by obtaining an understanding of the design effectiveness of 100% Life’s internal control, determining whether controls had been placed in operation, assessing control risk, and performing tests of 100% Life’s controls as a basis for designing our auditing procedures for the purpose of expressing our opinion on the incurred costs, but not to express an opinion on the effectiveness of 100% Life’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of 100% Life’s internal control over financial reporting. We limited our internal control testing to those controls necessary to achieve the objectives described in the GAO’s Standards for Internal Controls in the Federal Government.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s incurred costs will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purposes described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiency in internal control that we consider to be material weakness.

Our audit detected one significant deficiency involving 100% Life’s Internal Control and its operations related to Finding #1.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and the result of that testing and not to provide an opinion on the effectiveness of 100% Life’s internal control. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering 100% Life’s internal control. Accordingly, this communication is not suitable for any other purpose.

Restriction on Use

This report is intended solely for the information, and use of 100% Life's management, the Government Accountability Office, Congress, and the U.S. Agency for International Development (USAID) and is not intended to be and should not be used by anyone other than these specified parties.

Premier Group Services, Inc.

Lanham, MD

January 29, 2025

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE

We have audited the incurred costs of 100% Life for the period of January 1, 2018, to December 31, 2022, and have issued our report thereon dated January 29, 2025. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the Government Auditing Standards, issued by the Comptroller General of the United States.

The management of 100% Life is responsible for complying with laws, regulations, contracts, and grant requirements applicable to its U.S. Agency for International Development (USAID)-funded program. We performed tests of its compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of incurred cost amounts, and certain other laws and regulations specified in the Uniform Guidance 2 CFR 200. We limited our tests of compliance to these provisions, and we did not test compliance with all laws and regulations applicable to 100% Life.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 100% Life's incurred costs are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and significant provisions of contracts, noncompliance with which could have a direct and material effect on the determination of incurred cost amounts, and certain other laws and regulations. We limited our tests of compliance to these provisions, and we did not test compliance with all laws and regulations applicable to 100% Life. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests of compliance disclosed no instances of noncompliance or other matters that are required to be reported herein under Government Auditing Standards or Uniform Guidance 2 CFR 200.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on 100% Life's compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering 100% Life's compliance. Accordingly, this communication is not suitable for any other purpose.

Restriction on Use

This report is intended solely for the information, and use of 100% Life management, the Government Accountability Office, Congress, and the U.S. Agency for International Development (USAID) and is not intended to be and should not be used by anyone other than these specified parties.

Premier Group Services, Inc.

Lanham, MD

January 29, 2025

STATUS OF PRIOR AUDIT FINDINGS

We also requested copies of prior audits, reviews, and evaluations related to 100% Life's activities under the USAID contract. Per communication with 100% Life, there were no prior audit findings that could have a material effect on the incurred costs.

SUPPLEMENTAL SCHEDULES

Schedule A – Schedule of Allowable Costs by USAID Contract

USAID Contract	Schedule	January 1, 2018- December 31, 2022, Total Costs	Questioned Costs – Ineligible*	Questioned Costs – Unsupported**	Accepted January 1, 2018-December 31, 2022, Costs	Finding
AID-121-A-17-00003	A-1	24,215,612.75	-	-	24,215,612.75	N/A
72012118CA00002	A-2	4,669,084.07	82,661.00	-	4,586,423.07	1
Total USAID Contracts		28,884,696.82	82,661.00	-	28,802,035.82	

Schedule A-1 – Schedule of Allowable Costs – USAID Contract No. AID-121-A-17-00003

Award Number: AID-121-A-17-00003

Award Name: Health Link: Accelerating Ukraine’s Efforts to End HIV (HealthLink)

Contract Type: Reimbursement

Funding Amount: \$28,121,340.00

Cost Element	January 1, 2018- December 31, 2022 Total Costs	Questioned Costs - Ineligible	Questioned Costs - Unsupported	January 1, 2018- December 31, 2022 Accepted Costs	Finding
Direct Costs					
Labor Cost (Incl. Fringe Benefits)(PEPFAR/COVID)	2,392,375.36	-	-	2,392,375.36	
Travel	128,919.68	-	-	128,919.68	
Other Direct Costs	4,692,197.21	-	-	4,692,197.21	
Subaward	17,002,121.50	-	-	17,002,121.50	
Total Direct Costs	24,215,612.75			24,215,612.75	
Indirect Costs	-	-	-	-	
Total Costs	24,215,612.75			24,215,612.75	

Schedule A-2– Schedule of Allowable Costs – USAID Contract No. 72012118CA00002

Award Number: 72012118CA00002
Award Name: eHealth Infrastructure Development in Ukraine (eHealth)
Contract Type: Reimbursement
Funding Amount: \$5,060,000

Cost Element	January 1, 2018- December 31, 2022 Total Costs	Questioned Costs - Ineligible	Questioned Costs - Unsupported	January 1, 2018- December 31, 2022 Accepted Costs	Finding
Direct Costs					
Personnel (Incl. Fringe Benefits)	365,541.91	-	82,661.00	282,880.91	1
Other Direct Costs	151,868.41	-	-	151,868.41	
Subawards	4,151,673.75	-	-	4,151,673.75	
Total Direct Costs	4,669,084.07	-	82,661.00	4,586,423.07	
Total Costs	4,669,084.07	-	82,661.00	4,586,423.07	

* Ineligible costs: Costs that are explicitly questioned because they are unreasonable, prohibited by the FAR or applicable laws and regulations, or not program related.

** Unsupported costs: Costs that are not backed with adequate documentation or did not have required prior approvals or authorizations.

Schedule B – Reconciliation of Booked to Billed Costs

Contract Number	January 1, 2018- December 31, 2022, Total Allowable Costs	Less Contract Limitations/Rebates /Credits	Total Adjusted Allowable Costs	January 1, 2018- December 31, 2022, Billed Amount	Over/Under- Billed
AID-121-A-17-00003	24,215,612.75	-	24,215,612.75	24,215,612.75	-
72012118CA00002	4,669,084.07	-	4,669,084.07	4,669,084.07	-
Total Costs	28,884,696.82	-	28,884,696.82	28,884,696.82	-