

# SIGAR

**Special Inspector General for  
Afghanistan Reconstruction**

**SIGAR 15-87 Financial Audit**

**USAID's Afghan Civilian Assistance Program II:  
Audit of Costs Incurred by International Relief  
and Development, Inc.**



**SEPTEMBER  
2015**

# SIGAR

## Special Inspector General for Afghanistan Reconstruction

### WHAT THE AUDIT REVIEWED

On September 27, 2011, the U.S. Agency for International Development issued a 3-year, \$76.8 million cooperative agreement to International Relief and Development, Inc. (IRD) to fund the Afghan Civilian Assistance Program II. The agreement consisted of \$64 million in government obligations and \$12.8 million in cost share obligations from IRD. The program's objective was to provide support to Afghan families and communities suffering from military operations against the Taliban or from other insurgent attacks. After 11 modifications, the period of performance was extended through May 15, 2015.

SIGAR's financial audit, performed by Crowe Horwath LLP (Crowe), reviewed \$52,440,664 in expenditures charged to the agreement from September 27, 2011, through May 15, 2015. The objectives of the audit were to (1) identify and report on significant deficiencies or material weaknesses in IRD's internal controls related to the cooperative agreement; (2) identify and report on instances of material noncompliance with the terms of the cooperative agreement and applicable laws and regulations, including any potential fraud or abuse; (3) determine and report on whether IRD has taken corrective action on prior findings and recommendations; and (4) express an opinion on the fair presentation of IRD's Special Purpose Financial Statement. See Crowe's report for the precise audit objectives.

In contracting with an independent audit firm and drawing from the results of the audit, SIGAR is required by auditing standards to review the audit work performed. Accordingly, SIGAR oversaw the audit and reviewed its results. Our review disclosed no instances where Crowe did not comply, in all material respects, with U.S. generally accepted government auditing standards.

September 2015

## USAID's Afghan Civilian Assistance Program II: Audit of Costs Incurred by International Relief and Development, Inc.

SIGAR 15-87-FA

### WHAT THE AUDIT FOUND

Crowe Horwath LLP (Crowe) identified two material weaknesses in International Relief and Development, Inc.'s (IRD) internal controls, and one instance of noncompliance with the terms and conditions of the cooperative agreement. Specifically, Crowe found that IRD did not comply with the U.S. Agency for International Development's (USAID) requirement to monitor subrecipient expenditures. IRD should have had a process in place to determine if its subrecipients were required to have financial audits of their USAID-funded expenditures. Additionally, Crowe identified that IRD overvalued donated supplies to meet cost-share requirements within the agreement. Per IRD, its in-kind donations was valued at \$20,608,697; however, Crowe re-calculated the actual value of the donated supplies at \$14,211,358. The adjusted value of IRD's donations still met the \$12.8 million cost share requirement of the agreement. To address this finding, IRD plans to issue new cost share guidelines. Finally, IRD did not comply with federal regulations requiring that property and equipment records accurately reflect the assignment of title, source of the items, and ultimately their disposition.

Crowe did not identify any questioned costs associated with the internal control weaknesses and instance of noncompliance. Questioned costs consist of unsupported costs—costs not supported with adequate documentation or that did not have required prior approval—and ineligible costs—costs prohibited by the cooperative agreement, applicable laws, or regulations. Because IRD met its cost share requirement as described above, the overvaluation of in-kind donations did not result in questioned costs.

Category	Ineligible	Unsupported	Total Questioned Costs
Costs Incurred	\$0	\$0	\$0
<b>Totals</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Crowe obtained and reviewed prior audits, reviews, and evaluations pertinent to IRD's financial performance under the cooperative agreement. Per communications with IRD and USAID, there were three Office of Management and Budget Circular A-133 reports and one report issued by USAID that included the Afghan Civilian Assistance Program (ACAP) II within their scopes. Crowe did not identify any findings pertinent to the ACAP II Program during its review of the A-133 audit reports. USAID's previous report contained a finding related to cost-sharing requirements; however, Crowe was not required to conduct follow-up procedures because the report made no recommendations for corrective action to IRD.

Crowe issued an unmodified opinion on IRD's Special Purpose Financial Statement, noting that it presents fairly, in all material respects, revenues received, costs incurred, and the balance for the period audited.

### WHAT SIGAR RECOMMENDS

Based on the results of the audit, SIGAR recommends that the responsible agreement officer at USAID:

1. Advise IRD to address the report's two internal control findings.
2. Advise IRD to address the report's one noncompliance finding.



**SIGAR**

Office of the Special Inspector General  
for Afghanistan Reconstruction

September 28, 2015

The Honorable Alfonso E. Lenhardt  
Acting Administrator  
U.S. Agency for International Development

Mr. William Hammink  
USAID Mission Director for Afghanistan

We contracted with Crowe Horwath LLP (Crowe) to audit the costs incurred by International Relief and Development, Inc. (IRD) under a U.S. Agency for International Development (USAID) cooperative agreement to support the Afghan Civilian Assistance Program II.<sup>1</sup> Crowe's audit covered \$52,440,664 in expenditures charged to the cooperative agreement from September 27, 2011, through May 15, 2015. Our contract required that the audit be performed in accordance with U.S. generally accepted government auditing standards issued by the Comptroller General of the United States.

Based on the results of audit, SIGAR recommends that the responsible agreement officer at USAID:

- 1. Advise IRD to address the report's two internal control findings.**
- 2. Advise IRD to address the report's one noncompliance finding.**

The results of Crowe's audit are detailed in the attached report. We reviewed Crowe's report and related documentation. Our review, as differentiated from an audit in accordance with U.S. generally accepted government auditing standards, was not intended to enable us to express, and we do not express, an opinion on IRD's Special Purpose Financial Statement. We also express no opinion on the effectiveness of IRD's internal control or compliance with the cooperative agreement, laws, and regulations. Crowe is responsible for the attached auditor's report and the conclusions expressed in the report. However, our review disclosed no instances where Crowe did not comply, in all material respects, with U.S. generally accepted government auditing standards issued by the Comptroller General of the United States.

We will be following up with your agency to obtain information on the corrective actions taken in response to our recommendations.

John F. Sopko  
Special Inspector General  
for Afghanistan Reconstruction

(F-042)

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<sup>1</sup> USAID awarded cooperative agreement number 306-A-00-11-00533-00 to IRD to implement the Afghan Civilian Assistance Program II, which was intended to provide support to Afghan families and communities suffering from military operations against the Taliban or from other insurgent attacks.



**International Relief and Development, Inc.**  
**Special Purpose Financial Statement**  
**Afghan Civilian Assistance Program (ACAP II) - Closeout**  
**For the Period September 27, 2011, through May 15, 2015**  
**(With Independent Auditor's Report Thereon)**

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## Transmittal Letter

August 21, 2015

To the President and Management of International Relief and Development, Inc.  
1621 North Kent Street, Fourth Floor  
Arlington, Virginia 22209

To the Office of the Special Inspector General for Afghanistan Reconstruction  
2530 Crystal Drive  
Arlington, Virginia 22202

We appreciate the opportunity to provide to you our report regarding the procedures that we have completed during the course of our financial audit of International Relief and Development, Inc.'s cooperative agreement with the United States Agency for International Development ("USAID") funding the Afghan Civilian Assistance Program II ("ACAP II").

Within the pages that follow, we have provided a brief summary of the work performed. Following the summary, we have incorporated our report on the Special Purpose Financial Statement, report on internal control, and report on compliance. We do not express an opinion on the summary or any information preceding our reports.

When preparing our report, we considered comments, feedback, and interpretations of International Relief and Development, Inc., the Office of the Special Inspector General for Afghanistan Reconstruction, and USAID provided both in writing and orally throughout the audit planning and fieldwork phases. Management's final written responses to the findings have been incorporated into the final report and are followed by the auditor's responses.

Thank you for providing us the opportunity to work with you and to conduct the financial audit of International Relief and Development, Inc.'s ACAP II Program.

Sincerely,

A handwritten signature in black ink, appearing to read "Bert Nuehring".

Bert Nuehring, CPA, Partner  
Crowe Horwath LLP



[www.crowehorwath.com](http://www.crowehorwath.com)

## Summary

### Background

International Relief and Development, Inc. (“IRD”) entered into a cooperative agreement with the United States Agency for International Development (“USAID”) on September 27, 2011, to provide support to Afghan families and communities suffering from military operations against the Taliban or from other insurgent attacks in a rapid, effective, and transparent manner. The objectives of the effort were to ensure that war-affected families were provided appropriate and timely assistance as a means of redeveloping Afghan communities and to design custom programs and activities while responding immediately to new incidents. The project, the Afghan Civilian Assistance Program II (“ACAP II”), was funded by cooperative agreement number 306-A-00-11-00533-00, which had a total estimated program cost of \$76,800,000, inclusive of a Federal obligation of \$64,000,000. Eleven modifications to the award were subsequently issued that extended the period of performance to February 15, 2015. Pursuant to the terms and conditions of the cooperative agreement, as modified, and correspondence from the USAID Agreement Officer dated February 11, 2015, IRD was permitted to incur costs through the May 15, 2015, conclusion of the award closeout period. As of the end of the award, IRD had incurred \$52,440,664 in Federal expenditures.

Per the *Afghan Civilian Assistance Program II (ACAP II) Final Program Report (September 26, 2011 – February 15, 2015)*, IRD noted the following accomplishments (unaudited by Crowe):

- Provided immediate assistance to 56,884 individuals, families, and women;
- Delivered medical assistance to 1,318 individuals, families, and women;
- Trained 72 community-based counselors in 12 provinces regarding psychological assistance, conducted 3,170 counseling sessions, and delivered psychological assistance to 408 families; and
- Responded to 809 incidents in 29 of the 34 Afghan provinces.

Work under the award is complete. However, the award is pending finalization of the negotiated indirect cost rate agreement prior to completion of the formal closeout process.

### Work Performed

Crowe Horwath LLP (“Crowe”) was engaged by the Office of the Special Inspector General for Afghanistan Reconstruction (“SIGAR”) to conduct a financial audit of IRD’s ACAP II Program.

### Objectives Defined by SIGAR

The following audit objectives were defined within the *Performance Work Statement for Financial Audits of Costs Incurred by Organizations Contracted by the U.S. Government for Reconstruction Activities in Afghanistan*:

#### *Audit Objective 1 – Special Purpose Financial Statement*

Express an opinion on whether the Special Purpose Financial Statement for the award presents fairly, in all material respects, revenues received, costs incurred, items directly procured by the U.S. Government and balance for the period audited in conformity with the terms of the award and accounting principles generally accepted in the United States of America or other comprehensive basis of accounting.

#### *Audit Objective 2 – Internal Controls*

Evaluate and obtain a sufficient understanding of IRD’s internal control related to the award; assess control risk; and identify and report on significant deficiencies including material internal control weaknesses.



### *Audit Objective 3 – Compliance*

Perform tests to determine whether IRD complied, in all material respects, with the award requirements and applicable laws and regulations; and identify and report on instances of material noncompliance with terms of the award and applicable laws and regulations, including potential fraud or abuse that may have occurred.

### *Audit Objective 4 – Corrective Action on Prior Findings and Recommendations*

Determine and report on whether the audited entity has taken adequate corrective action to address findings and recommendations from previous engagements that could have a material effect on the special purpose financial statement.

## **Scope**

The scope of the audit included the period September 27, 2011, through May 15, 2015, inclusive of the 90-day closeout period, for the ACAP II Program. The audit was limited to those matters and procedures pertinent to the cooperative agreement that have a direct and material effect on the Special Purpose Financial Statement (“SPFS”) and evaluation of the presentation, content, and underlying records of the SPFS. The audit included reviewing the financial records that support the SPFS to determine if there were material misstatements and if the SPFS was presented in the format required by SIGAR. In addition, the following areas were determined to be direct and material and, as a result, were included within the audit program for detailed evaluation:

- Allowable Costs;
- Allowable Activities;
- Cash Management;
- Equipment and Property Management;
- Matching and/or Cost Share;
- Procurement;
- Reporting; and
- Subrecipient Monitoring.

## **Methodology**

To meet the aforementioned objectives, Crowe completed a series of tests and procedures to audit the SPFS, tested compliance and considered the auditee’s internal controls over compliance and financial reporting, and determined if adequate corrective action was taken in response to prior audit, assessment, and findings and review comments, as applicable.

For purposes of meeting Audit Objective 1 pertaining to the SPFS, transactions were selected from the financial records underlying the SPFS and were tested to determine if the transactions were recorded in accordance with the basis of accounting identified by the auditee; were incurred within the period covered by the SPFS and in alignment with specified cutoff dates; were charged to the appropriate budgetary accounts; and were adequately supported.

In addition, with respect to the closeout period, Crowe selected a sample of transactions charged to the award during the closeout period to determine if the transactions were in alignment with the types of closeout costs approved by the Agreement Officer; total costs incurred did not exceed the \$984,624 estimated costs included within IRD’s request to incur closeout period costs submitted to and subsequently approved by the Agreement Officer; any funds drawn down by IRD in excess of costs incurred were returned to the Government; and costs drawn down by IRD on the letter of credit were liquidated by the end of the closeout period.

With regard to Audit Objective 2 pertaining to internal control, Crowe requested and the auditee provided copies of policies and procedures and verbally communicated those procedures that do not exist in written format to provide Crowe with an understanding of the system of internal control established by IRD. The system of internal control is intended to provide reasonable assurance of achieving reliable financial and performance reporting and compliance with applicable laws and regulations. Crowe corroborated internal controls identified by the auditee and conducted testing of select key controls to understand if they were implemented as designed.

Audit Objective 3 requires that tests be performed to obtain an understanding of the auditee's compliance with requirements applicable to the cooperative agreement. Crowe identified – through review and evaluation of the cooperative agreement executed by and between IRD and USAID, the Code of Federal Regulations (“CFR”), and the Automated Directives System (“ADS”) guidance documents – the criteria against which to test the SPFS and supporting financial records and documentation. Using sampling techniques, Crowe selected expenditures, letter of credit draw downs, procurements, property and equipment dispositions, subrecipients, and project reports for audit. Supporting documentation was provided by the auditee and subsequently evaluated to assess IRD's compliance. Testing of indirect costs was limited to determining whether indirect costs were calculated and charged to the U.S. Government in accordance with the negotiated indirect cost rate agreements (“NICRA”), and if adjustments were made, as required and applicable.

Regarding Audit Objective 4, Crowe inquired of both IRD and USAID regarding prior audits and reviews to obtain an understanding of the nature of audit reports and other assessments that were completed and the required corrective action. We obtained and reviewed IRD's three OMB Circular A-133 audit reports pertaining to the ACAP II Program's period of performance. We also obtained a report issued by the USAID Office of the Inspector General that pertained to the implementation of the ACAP II program. Per review of the audit reports and discussion with both USAID and IRD, there were no audit findings, recommendations, or other reports issued that pertained to the award under audit and required follow-up by IRD.

Due to the location and nature of the project work and certain vendors and individuals who supported the project still residing in Afghanistan, certain audit procedures were performed on-site in Afghanistan, as deemed necessary.

## Summary of Results

Upon completion of Crowe's procedures, Crowe issued an unmodified opinion on the Special Purpose Financial Statement.

With regard to matters of internal control and compliance, Crowe identified three findings because they met one or more of the following criteria: (1) significant deficiencies in internal control, (2) material weaknesses in internal control, (3) noncompliance with rules, laws, regulations, or the terms and conditions of the cooperative agreement; and/or (4) questioned costs resulting from identified instances of noncompliance. Other matters that did not meet the aforementioned criteria were communicated verbally or in writing to IRD within a letter issued to management dated August 18, 2015.

Crowe also reported on both IRD's compliance with the applicable laws, rules, regulations, and the terms and conditions of the cooperative agreement and the internal controls over compliance. Two material weaknesses in internal control and one instance of noncompliance were reported. The audit did not identify any questioned costs.

Crowe also requested copies of prior audits, reviews, and evaluations pertinent to IRD's financial performance under the cooperative agreement. Per communications with IRD and USAID, there were three OMB Circular A-133 reports and one report issued by USAID that included the ACAP II Program within their scope. No findings pertinent to the ACAP II Program were identified during our review of the A-133

audit reports, and there were no recommendations made to IRD within the USAID report that required follow-up by Crowe.

This summary is intended to present an overview of the results of procedures completed for the purposes described herein and is not intended to be a representation of the audit's results in their entirety.

### **Summary of Management Comments**

Management partially agreed with findings 2015-01 and 2015-03. Management did not agree with finding 2015-02 due to IRD's having met the cost share requirement.

### **References to Appendices**

The auditor's reports are supplemented by two appendices - **Appendix A** containing the Views of Responsible Officials and **Appendix B** containing the Auditor's Rebuttal.

## INDEPENDENT AUDITOR'S REPORT ON THE SPECIAL PURPOSE FINANCIAL STATEMENT

To the President and Management of International Relief and Development, Inc.  
1621 North Kent Street, Fourth Floor  
Arlington, Virginia 22209

To the Office of the Special Inspector General for Afghanistan Reconstruction  
2530 Crystal Drive  
Arlington, Virginia 22202

### ***Report on the Special Purpose Financial Statement***

We have audited the Special Purpose Financial Statement ("the Statement") of International Relief and Development, Inc. ("IRD"), and related notes to the Statement, for the period September 27, 2011, through May 15, 2015, with respect to the Afghan Civilian Assistance Program funded by cooperative agreement number 306-A-00-11-00533-00.

### ***Management's Responsibility for the Special Purpose Financial Statement***

Management is responsible for the preparation and fair presentation of the Statement in accordance with the requirements specified by the Office of the Special Inspector General for Afghanistan Reconstruction ("SIGAR") in Appendix IV of Solicitation ID11140014 ("the Contract"). Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a Statement that is free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on the Special Purpose Financial Statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Statement 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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(Continued)

## **Opinion**

In our opinion, the Statement referred to above presents fairly, in all material respects, revenues received, costs incurred, and balance for the indicated period in accordance with the requirements established by the Office of the Special Inspector General for Afghanistan Reconstruction in Appendix IV of the Contract and on the basis of accounting described in Note 1.

## **Basis of Presentation**

We draw attention to Note 1 to the Statement, which describes the basis of presentation. The Statement was prepared by IRD in accordance with the requirements specified by the Office of the Special Inspector General for Afghanistan Reconstruction in Appendix IV of the Contract and presents those expenditures as permitted under the terms of cooperative agreement number 306-A-00-11-00533-00, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the financial reporting provisions of the Award referred to above. Our opinion is not modified with respect to this matter.

## **Restriction on Use**

This report is intended for the information of International Relief and Development, Inc., the United States Agency for International Development, and the Office of the Special Inspector General for Afghanistan Reconstruction. Financial information in this report may be privileged. The restrictions of 18 U.S.C. 1905 should be considered before any information is released to the public.

## **Report on Other Legal and Regulatory Requirements**

In accordance with *Government Auditing Standards*, we have also issued reports dated August 18, 2015, on our consideration of IRD's internal controls over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of those reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* in considering IRD's internal control over financial reporting and compliance.



Crowe Horwath LLP

August 18, 2015  
Washington, D.C.

International Relief and Development, Inc.  
Special Purpose Financial Statement  
306-A-00-11-00533-00  
For the Period September 27, 2011, through May 15, 2015

			<u>Questioned Costs</u>		<u>Notes</u>
	<u>Budget</u>	<u>Actual</u>	<u>Ineligible</u>	<u>Unsupported</u>	
<i>Revenues</i>					
USAID - 306-A-00-11-00533-00	\$ 64,000,000	\$ 52,440,664			4
<b>Total Revenue</b>	<b>\$ 64,000,000</b>	<b>\$ 52,440,664</b>			
<i>Costs Incurred</i>					
I. Salaries and Wages	\$ 12,586,257	\$ 12,804,784			5
II. Fringe Benefits	3,419,371	3,287,589			
III. Allowances	2,405,048	2,448,454			
IV. Consultants	31,383	53,698			
V. Travel, Transportation and Per Diem	1,092,383	846,327			
VI. Equipment	190,359	349,166			
VII. Other Direct costs	5,089,601	5,020,262			
VIII. Sub contracts	2,223,072	2,605,659			
IX. Program Interventions/activities	37,332,711	15,392,966			
X. Indirect Costs	12,429,815	9,631,759			11
<b>Total Costs Incurred</b>	<b>\$ 76,800,000</b>	<b>\$ 52,440,664</b>			
<b>Balance</b>		<u><u>\$ -</u></u>			6

The accompanying notes to the Special Purpose Financial Statement are an integral part of this Statement.

**International Relief and Development, Inc.**  
**Notes to the Special Purpose Financial Statement**  
**For the Period September 27, 2011, through May15, 2015**

**Note 1. Basis of Presentation**

The accompanying Special Purpose Financial Statement (the "Statement") includes costs incurred under Agreement Number 306-A-00-11-00533-00 for the Afghan Civilian Assistance Program (ACAP II) for the period September 27, 2011 through May 15, 2015. Because the Statement presents only a selected portion of the operations of International Relief and Development, Inc. (IRD), it is not intended to and does not present the financial position, changes in net assets, or cash flows of IRD. The information in this Statement is presented in accordance with the requirements specified by the Office of the Special Inspector General for Afghanistan Reconstruction ("SIGAR") and is specific to the aforementioned Federal award. Therefore, some amounts presented in this Statement may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**Note 2. Basis of Accounting**

Expenditures reported on the Statement are reported in accordance with generally accepted accounting principles ("GAAP") in the United States of America and, therefore, are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122 and 2 CFR 200 Subpart E, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note 3. Foreign Currency Conversion Method**

For purposes of preparing the Statement, conversions from local currency to United States dollars were required. The costs incurred in AFN were converted to USD using the historic weighted average exchange rate, as described in IRD Field Standard Operating Procedures Manual.

**Note 4. Revenues**

Revenues on the Statement represent the amount of funds that IRD is entitled to receive from USAID for allowable, eligible costs incurred under the cooperative agreement during the period of performance.

**Note 5. Costs Incurred by Budget Category**

The budget categories presented and associated amounts reflect the budget line items presented within the final, USAID-approved budget adopted as a component of Modification #8 to the agreement dated July 7, 2014. Budgeted amounts reflect the estimated total costs to be incurred under the award, inclusive of a cost sharing requirement of \$12,800,000 described in Note 8. The total Federal expenditures authorized for the award were limited to \$64,000,000.

**Note 6. Balance**

The \$0 balance presented on the Statement indicates that IRD has not incurred additional costs for which IRD is entitled to reimbursement but has not received reimbursement. Correspondingly, IRD has not drawn down funds in excess of those costs incurred under the award such that funds are due to the U.S. Government.

**Note 7. Currency**

All amounts presented are shown in U.S. dollars.

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(Continued)

**Note 8. Cost Share Expenditures**

The cooperative agreement included a requirement that IRD incur \$12,800,000 in cost share expenditures. The total value of costs incurred or in-kind contributions received during the period was \$20,608,697.04. Matching costs are not reflected in the Statement.

**Note 9. Subrecipients**

In order to execute program activities, IRD utilized certain subrecipients within Afghanistan. The following organizations served as subrecipients.

1. Afghanistan Bright Future Organization (ABFO)	\$ 6,930
2. Afghan Mobile Reconstruction Association (AMRAN)	\$ 148,470
3. Aid Trends Afghanistan (ATA)	\$ 347,924
4. Equal Access International (EAI)	\$ 749,240
5. Green Afghanistan Agriculture and Livestock Organization (GAALO)	\$ 209,966
6. Organization of Human Welfare (OHW)	\$ 149,961
7. Reconstruction and Social Services for Afghanistan Organization (RSSAO)	\$ 185,300
8. Rehabilitation Organization for Women (ROW)	\$ 63,654

**Note 10. Program Status**

The ACAP II program is closed. The period of performance for the cooperative agreement concluded on February 15, 2015, and Ethan Takahashi, USAID/Afghanistan Agreement Officer approved IRD's request to incur costs during the 90 days closeout period. Accordingly, adjustments to amounts currently reported on the Special Purpose Financial Statement will be made as a result of final Indirect Cost Rate adjustments.

**Note 11. Negotiated Indirect Cost Rate Agreement Adjustments**

IRD has a Negotiated Indirect Cost Rate Agreement (NICRA) with USAID which serves as the basis for the rates used to charge fringe benefit and indirect costs to Federal awards. IRD utilized the existing provisional rates within the NICRA to charge costs to the ACAP II award. Upon finalization of the rates or revisions being made to the provisional rates, additional adjustments to the amounts currently reported on the Statement may be required. IRD expects these adjustments to be material/immaterial based on prior experience.

**Note 12. Subsequent Events**

Management has performed an analysis of the activities and transactions subsequent to the September 27, 2011, through May 15, 2015, period of performance. Management has performed their analysis through August 18, 2015.

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL

To the President and Management of International Relief and Development, Inc.  
1621 North Kent Street, Fourth Floor  
Arlington, Virginia 22209

To the Office of the Special Inspector General for Afghanistan Reconstruction  
2530 Crystal Drive  
Arlington, Virginia 22202

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Special Purpose Financial Statement ("the Statement") of International Relief and Development, Inc. ("IRD"), and related notes to the Statement, for the period September 27, 2011, through May 15, 2015, with respect to the Afghan Civilian Assistance Program ("ACAP II") funded by cooperative agreement number 306-A-00-11-00533-00. We have issued our report thereon dated August 18, 2015.

### Internal Control over Financial Reporting

IRD's management is responsible for establishing and maintaining effective internal control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control policies and procedures. The objectives of internal control are to provide management with reasonable, but not absolute, assurance that the assets are safeguarded against loss from unauthorized use or disposition; transactions are executed in accordance with management's authorization and in accordance with the terms of the cooperative agreement; and transactions are recorded properly to permit the preparation of the Statement in conformity with the basis of presentation described in Note 1 to the Statement. Because of inherent limitations in internal control, errors or fraud may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the Statement for the period September 27, 2011, through May 15, 2015, we considered IRD's internal controls to determine audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Statement, but not for the purpose of expressing an opinion on the effectiveness of IRD's internal control. Accordingly, we do not express an opinion on the effectiveness of IRD's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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(Continued)

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 Statement 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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as Findings 2015-01 and 2015-02 to be material weaknesses.

### **International Relief and Development, Inc.'s Response to Findings**

International Relief and Development, Inc.'s response to the findings were not subject to the auditing procedures applied in the audit of the special purpose financial statement and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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

### **Restriction on Use**

This report is intended for the information of International Relief and Development, Inc., the United States Agency for International Development, and the Office of the Special Inspector General for Afghanistan Reconstruction. Financial information in this report may be privileged. The restrictions of 18 U.S.C. 1905 should be considered before any information is released to the public.



Crowe Horwath LLP

August 18, 2015  
Washington, D.C.

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE

To the President and Management of International Relief and Development, Inc.  
1621 North Kent Street, Fourth Floor  
Arlington, Virginia 22209

To the Office of the Special Inspector General for Afghanistan Reconstruction  
2530 Crystal Drive  
Arlington, Virginia 22202

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Special Purpose Financial Statement ("the Statement") of International Relief and Development, Inc. ("IRD"), and related notes to the Statement, for the period September 27, 2011, through May 15, 2015, with respect to the Afghan Civilian Assistance Program funded by cooperative agreement number 306-A-00-11-00533-00. We have issued our report thereon dated August 18, 2015.

### Management's Responsibility for Compliance

Compliance with Federal rules, laws, regulations, and the terms and conditions applicable to the cooperative agreement is the responsibility of the management of International Relief and Development, Inc.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Statement is free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in Finding 2015-03 in the accompanying Schedule of Findings and Questioned Costs.

We noted certain matters that we reported to IRD's management in a separate letter dated August 18, 2015.

### International Relief and Development, Inc.'s Response to Findings

International Relief and Development, Inc.'s response to the findings were not subjected to the auditing procedures applied in the audit of the special purpose financial statement and, accordingly, we express no opinion on it.

## **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 compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's compliance. Accordingly, this communication is not suitable for any other purpose.

## **Restriction on Use**

This report is intended for the information of International Relief and Development, Inc., the United States Agency for International Development, and the Office of the Special Inspector General for Afghanistan Reconstruction. Financial information in this report may be privileged. The restrictions of 18 U.S.C. 1905 should be considered before any information is released to the public.

*Crowe Horwath LLP*  
Crowe Horwath LLP

August 18, 2015  
Washington, D.C.

## SECTION 1: SCHEDULE OF FINDINGS AND QUESTIONED COSTS

### **Finding 2015-01: Monitoring Foreign Subrecipients' Compliance with USAID Audit Requirements**

#### Material Weakness

**Criteria:** ADS Chapter 591, *Financial Audits of USAID Contractors, Recipients, and Host Government Entities*, Section 591.3.2.1(a) states, "Foreign nonprofit organizations, host governments, and subrecipients that expend \$300,000 or more in USAID awards (i.e., organizations that receive USAID funds either directly or through a prime contractor or recipient) during their fiscal year, must have an annual audit conducted of those funds in accordance with the **Guidelines for Financial Audits Contracted by Foreign Recipients.**"

Section C.1, Applicability of 22 CFR Part 226, of IRD's cooperative agreement states, "For any subawards made with Non-U.S. subrecipients the recipient shall include the applicable 'Standard Provisions for Non-U.S. Nongovernmental Grantees'. Recipients are required to ensure compliance with monitoring procedures in accordance with OMB Circular A-133."

**Condition:** IRD did not have a process in place to monitor subrecipient expenditures under all USAID awards received during the award to determine if the subrecipients were required to have financial audits of their USAID expenditures completed.

**Questioned costs:** None

**Effect:** Subrecipients may not have complied with certain USAID financial assistance regulations that could have an impact on the financial records pertinent to the ACAP II award. In the absence of the audit reports, IRD may be unaware of such instances of noncompliance and the potential impact.

**Cause:** IRD was unaware of the requirement specified in ADS 591 and had considered its pre-award inquiries pertaining to prior audits and its execution of subrecipient monitoring procedures over programmatic activities during the award to be adequate.

**Recommendation:** We recommend that IRD design and document a procedure (e.g., requesting a written certification to the applicability or non-applicability of the audit requirement at fiscal year-end) to track subrecipient expenditures under USAID awards and to obtain and review audit reports, if the audit requirement is triggered.

## **Finding 2015-02: Over-Valuation of Donated Goods**

### Material Weakness

**Criteria:** IRD has adopted the *Accord Network Interagency Gift-in-Kind Standards* (Revised December, 2009) for purposes of managing the valuation and recording of gifts-in-kind. Per Section 3.24 of the Standards, "The donor-assigned value may provide one possible input into the fair value determination. However, the non-profit has a responsibility to determine the appropriate value of the donation in an objective manner. The fair value of a [Gift-in-Kind] donation actually recorded by the recipient non-profit may differ materially from the value assigned by the original donor. If no reasonable or sufficient basis to determine the value of a donation can be used, no value should be recorded."

Per 22 CFR Part 226.23(f), "Donated supplies may include such items as expendable equipment, office supplies, laboratory supplies or workshop and classroom supplies. Value assessed to donated supplies included in the cost sharing or matching share shall be reasonable and shall not exceed the fair market value of the property at the time of the donation."

22 CFR Part 226.23(i) further requires that the basis for determining the valuation of in-kind contributions for personal services, material, equipment, buildings, and land shall be documented.

**Condition:** For purposes of recording the value of gifts-in-kind that were donated to IRD and utilized to meet the cost share requirement for the ACAP II program, IRD utilized the donor-supplied values that totaled \$20,608,697. Per review of available market information and after comparing market rates to the rates used in the valuation calculations, we noted that \$9,704,917 in donated items were in question due to per unit market rates exceeding the per unit rates used in the valuation. The result is a calculated overvaluation of \$6,397,339 associated with certain donated supplies used to meet the cost share. Therefore, the total value recorded for each contribution was considered to be unreasonable. We requested, but did not receive, documentation from IRD demonstrating the company had performed an independent assessment of the donor-provided values to ensure that the amounts were both reasonable and adequately supported.

The following table summarizes the amount recorded on IRD's financial records for those items in question, Crowe's valuation of items in question based on a review of available market data, and the calculated overvaluation of the items.

<b>Cost Share Items</b>	<b>Cost Recorded for Items in Question</b>	<b>Crowe Valuation of Items in Question</b>	<b>Calculated Overvaluation of Items in Question</b>
Pharmaceuticals – Donation 1	\$9,355,792	\$3,181,252	\$6,174,540
Pharmaceuticals – Donation 2	\$32,725	\$3,803	\$28,922
Relief Kits	\$316,400	\$122,523	\$193,877
<b>TOTAL</b>	<b>\$9,704,917</b>	<b>\$3,307,578</b>	<b>\$6,397,339</b>

**Questioned costs:** None. We calculated that the residual value of the donated supplies was \$14,211,358 (\$20,608,697 less the overvalued amount of \$6,397,339). The residual value exceeds the minimum cost share requirement of \$12,800,000, as required by Section A.10 of the cooperative agreement. Thus, no costs are questioned as a component of the overvaluation.

**Effect:** The likelihood that cost sharing requirements may not be met as a result of certain donated items being overvalued is higher and increases the potential for costs to be questioned.

**Cause:** IRD did not perform adequate due diligence procedures to assess the reasonableness and appropriateness of the donor-supplied values for the donated gifts-in-kind prior to recording the amounts in the financial records.

**Recommendation:** We recommend that IRD issue a written memorandum to financial and program staff responsible for receiving gifts-in-kind and reviewing the valuations prior to financial accounting entries being made that reiterates the expectation for due diligence procedures assessing the reasonableness of donor-supplied values to be executed and documented. Further, we recommend that IRD incorporate, as a component of its internal audit program, a review of in-kind contributions and their valuations and implementation of IRD's internal controls over valuation of gifts-in-kind.

(Continued)

## **Finding 2015-03: Property and Equipment Records**

Noncompliance

**Criteria:** Per Title 22, Part 226.34(f), "The recipient's property management standards for equipment acquired with Federal funds and federally-owned equipment shall include all of the following.

- (1) Equipment records shall be maintained accurately and shall include the following information.
  - a. A description of the equipment.
  - b. Manufacturer's serial number, model number, Federal stock number, national stock number, or other identification number.
  - c. Source of the equipment, including the award number.
  - d. Whether title vests in the recipient, the Federal Government, or other specified entity.
  - e. Acquisition date (or date received, if the equipment was furnished by the Federal Government) and cost.
  - f. Information from which one can calculate the percentage of Federal participation in the cost of the equipment.
  - g. Location and condition of the equipment and the date the information was reported.
  - h. Unit acquisition cost.
  - i. Ultimate disposition data, including date of disposal and sales price or method used to determine fair market value where a recipient compensates USAID for its share.

Pursuant to IRD's Property and Equipment Procedures, the Field Office Finance Head is responsible for maintaining records of equipment and properties, including the information contained within the property control system.

**Condition:** During our review of the equipment and property listing, we noted the following items in relation to IRD's ACAP II property records:

- IRD assigned title to the property and equipment purchased under ACAP II to "ACAP" instead of the cooperating country or an agency designated by the cooperating country.
- IRD has not tracked the source of property and equipment. Rather, IRD's inventory and property listing indicates the source of property as the vendor or as a transfer to ACAP. The source does not indicate the Federal award number used to purchase the property.
- IRD has listed the disposition date for all items as March 26, 2015. However, the supporting disposition schedules provided indicates items transferred prior to the March 26, 2015 date listed in the equipment listing.

Per discussion with IRD, the contents of the equipment and property listing were provided to USAID as a component of its Final Accounting and Disposition of Cooperating Country Property submitted to USAID via compact disc.

**Questioned costs:** None.

**Effect:** Errors in assignment of the source or title within property records may result in inappropriate transfers, disposition, or uses of property.

Inaccurate records for disposition information results in inaccurate information being provided to USAID.

**Cause:** IRD indicated that the titleholder information in the records are primarily for internal use and the decision to track certain items in the manner referenced above assists staff in identifying the applicable program to which the equipment or property was associated.

Regarding errors in transferred property, IRD noted that all of the proper source documentation was not maintained. Lastly, the disposition column was populated with the date that the full disposition listing was finalized as opposed to the actual dates of disposition.

**Recommendation:** We recommend that IRD develop a training document regarding the required data elements to be included within the equipment and property records and distribute the training to those individuals who are responsible for administering equipment and property.

## **SECTION 2: Summary Schedule of Prior Audit and Review Findings**

Crowe reviewed IRD's OMB Circular A-133 audit reports, which included the Afghan Civilian Assistance Program ("ACAP II") within their scope. No findings or recommendations were identified during our review that could have a direct and material effect on the Special Purpose Financial Statement ("SPFS").

In addition, we inquired of both IRD and USAID regarding the conduct of any prior audits, assessments, reviews, or other engagements that are pertinent to ACAP II and that could have a direct and material effect on the Special Purpose Financial Statement. USAID had previously issued one report, *Audit of USAID/Afghanistan's Afghan Civilian Assistance Program II*, dated June 10, 2014. The report contained one audit finding that could be direct and material to the SPFS. The finding pertained to IRD's not having distributed medical supplies in accordance with cost-sharing requirements. However, the report did not include a recommendation for corrective action directed to IRD. Accordingly, there were no follow-up procedures required of Crowe with respect to the finding.

Further, we reviewed the contents of a series of reports issued by the Office of the Special Inspector General for Afghanistan Reconstruction and the USAID Office of the Inspector General. During the review, we identified thirteen prior findings that pertained to the types of compliance requirements applicable to the ACAP II Program. These findings were considered within our audit planning and risk assessment procedures. Due to their not having a potential impact on the amounts reported on the SPFS, the findings and associated follow-up procedures have not been detailed herein.

## Appendix A: Views of Responsible Officials

**TRANSMITTED BY E-MAIL ONLY**

August 7, 2015

Mr. Bert Nuehring  
Crowe Horwath LLP  
1325 G Street NW, Suite 500  
Washington D.C. 20005-3136

Dear Mr. Nuehring,

The purpose of this letter is to provide International Relief and Development, Inc. (IRD) response to the findings contained in the final draft report received from Eric Russel on July 27, 2015 on Crowe Horwath LLP performed financial audit of IRD ACAP II Program, USAID/Afghanistan Cooperative Agreement No. 306-A-00-11-00533-00 for the period September 27, 2011 to May 15, 2015. IRD's response is keyed to the finding number contained in the final draft report.

**Finding 2015-01: Monitoring Foreign Subrecipients' Compliance with USAID Audit Requirements**

**IRD Response:** IRD partially agrees with this finding. IRD is aware of ADS 591, however ADS 591 has no direct applicability to recipients or subrecipients except for containing USAID policy for audits. IRD is required and does flow down Mandatory Standard Provision regarding the requirement for the audit for foreign subrecipients receiving more than \$300,000 in USAID funding. IRD normally asks the recipient at the start of the award if they have received more than \$300K in USAID funding during the last fiscal year by having the recipient complete "Form A" questionnaire (provided to the audit team). At the end of the program, IRD's close out team goes through a check list to see if any of the eligible sub-recipients have completed necessary audits. It is the subrecipient's responsibility to conduct its audits as required by the Mandatory Standard Provision in their grants. Additionally, ADS 591.3.2.1(d) requires that subrecipients must submit copies of their audits to the prime recipient for the auditor's review as part of the prime's annual audit. If the auditor determines that the subrecipient is not performing audits or that the audits are deficient or defective, the auditor must include a recommendation in the prime's audit report to have the subrecipient's audits performed or the deficient or defective issues corrected.

Having said the above, IRD is in process of revising its Sub-granting policy to include additional Monitoring and Quality Assurance procedures to provide for timely required or recommended audits of subrecipients. The policy is expected to be revised and rolled out by September 30, 2015.

**Finding 2015-02: Over-Valuation of Donated Goods**

**IRD Response:** IRD disagrees with this finding. Even though IRD records of Donated Goods related to this project exceed the total amount of Recipient Share required by this

Cooperative Agreement, IRD reported only \$12,800,000 as Recipient share of expenditures under this award. It is IRD's practice to contribute to the maximum extent possible with donated goods to its projects and beneficiaries and use the conservative approach when reporting it, and this project is not an exception.

At the same time, IRD would like to share that in its continuous improvement efforts IRD is planning to issue a new Cost Share Guidelines Policy which will incorporate the following applicable regulations: 2CFR200.306 and OMB Compliance Supplement to 2CFR200 / 3.1-G ADS 303.3.10. This policy will address the following areas:

- Overview
- Definitions
- Planning
- Describing Types of Costs Share
- Allowable Sources
- Valuation by Third Parties and Authorized Sources
- Verification/Inspection
- Preferred Delivery Methods
- Timing of Completing Cost Share Requirements
- Changes
- Contingency Planning
- Best Practices Training

**Finding 2015-03: Property and Equipment Records**

**IRD Response:** IRD partially agrees with this finding. Most of USAID awards require that the title of the equipment and property purchased by recipients be assigned to Cooperating Country. In many cases, no agency in the Cooperating Country is designated in the award and it is impossible to assign a title of the equipment and therefore warranty or maintenance contracts to a "country". In most cases, IRD retains title and maintenance warranty for the duration of the award (title in custody) and assigns the title to a designated agency at the time of disposition at the end of the program after USAID approves disposition to a particular agency of the Cooperating Country. This is done in accordance with the Mission notice dated August 23, 2012 OAA-IP-2012-022.

The "source, including award number" is intended for equipment that is being transferred from a different award or funded by multiple sources/awards. The source otherwise may be the vendor, transfer from a different award, Government furnished property (directly from USAID) or IRD provided equipment from its own sources.

IRD is finalizing its comprehensive Property Management Policy, which incorporates the revised 2CFR200.313 requirements for inventories and reconciliation. This Policy and associated training will be rolled out to all IRD staff by December 1, 2015.

Sincerely,

Olga Wall

Director, Office of Grants and Contracts

## **Appendix B: Auditor's Rebuttal**

Crowe Horwath LLP, in consideration of the views presented by the management of International Relief and Development, Inc. ("IRD" or "the auditee"), presents the following rebuttal to certain matters presented by the auditee. The responses below are intended to clarify factual errors and provide context, where appropriate, to assist users of the report in their evaluation of the audit report. In those instances where management's response did not provide new information and support to modify the facts and circumstances that resulted in the initial finding, we have not provided a response. The absence of a rebuttal indicates that Crowe does not deem it necessary to correct or clarify any response of the auditee.

### Finding 2015-01

Crowe has reviewed IRD's response. We understand that IRD disagrees with the portion of the finding indicating that ADS 591 places compliance requirements on both prime and subrecipients of USAID funding. We note that paragraph 591.3.1 of ADS 591 discusses the requirement applicable to prime recipients such as IRD. The paragraph states the following, in part:

Prime recipients must ensure that their U.S. nonprofit subrecipients expending \$500,000 or more in Federal awards during the fiscal year are also audited in accordance with OMB Circular A-133. Additionally, prime recipients must ensure that foreign nonprofit subrecipients adhere to the ADS 303mab, USAID Standard Provisions for Non-U.S. Nongovernmental Grantees, which require annual audits as outlined in paragraph 591.3.2.1 below. USAID's legal relationship is with the prime recipient; therefore, the Agency is not responsible for directly monitoring subrecipients unless otherwise required by law. An independent auditor performing the review of the primary recipient must determine whether the recipient has met the audit and monitoring requirements pertaining to subrecipients.

Due to the ADS 591 provisions expressly presenting monitoring requirements for prime recipients, the finding has not been modified.

### Finding 2015-02

We understand that IRD disagrees with the finding due to IRD's having met the cost share requirement included within the cooperative agreement. However, the finding does not assert that IRD did not have sufficient goods to meet the cost share requirement after adjusting for the valuation errors. Whereas the finding pertains to IRD's having over-valued the goods used to meet the cost share and IRD's system of internal control not having detected and corrected the errors, the finding has not been modified.

### Finding 2015-03

Crowe has reviewed IRD's response and understands the practice that IRD has indicated that it follows for most of its USAID awards. However, the information provided did not include a waiver or other deviation of the requirements pertaining to equipment and property records. Accordingly, the finding has not been modified.

## SIGAR's Mission

The mission of the Special Inspector General for Afghanistan Reconstruction (SIGAR) is to enhance oversight of programs for the reconstruction of Afghanistan by conducting independent and objective audits, inspections, and investigations on the use of taxpayer dollars and related funds. SIGAR works to provide accurate and balanced information, evaluations, analysis, and recommendations to help the U.S. Congress, U.S. agencies, and other decision-makers to make informed oversight, policy, and funding decisions to:

- improve effectiveness of the overall reconstruction strategy and its component programs;
- improve management and accountability over funds administered by U.S. and Afghan agencies and their contractors;
- improve contracting and contract management processes;
- prevent fraud, waste, and abuse; and
- advance U.S. interests in reconstructing Afghanistan.

## Obtaining Copies of SIGAR Reports and Testimonies

To obtain copies of SIGAR documents at no cost, go to SIGAR's Web site ([www.sigar.mil](http://www.sigar.mil)). SIGAR posts all publically released reports, testimonies, and correspondence on its Web site.

## To Report Fraud, Waste, and Abuse in Afghanistan Reconstruction Programs

To help prevent fraud, waste, and abuse by reporting allegations of fraud, waste, abuse, mismanagement, and reprisal, contact SIGAR's hotline:

- Web: [www.sigar.mil/fraud](http://www.sigar.mil/fraud)
- Email: [sigar.pentagon.inv.mbx.hotline@mail.mil](mailto:sigar.pentagon.inv.mbx.hotline@mail.mil)
- Phone Afghanistan: +93 (0) 700-10-7300
- Phone DSN Afghanistan: 318-237-3912 ext. 7303
- Phone International: +1-866-329-8893
- Phone DSN International: 312-664-0378
- U.S. fax: +1-703-601-4065

## Public Affairs

Public Affairs Officer

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