



MEMORANDUM

DATE: July 10, 2019

TO: USAID/Afghanistan Mission Director, Peter Natiello

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

SUBJECT: Costs Incurred Financial Audit of ABT Associates Inc., Under Shops Plus Program in Afghanistan, Cooperative Agreement AID-306-OAA-A-15-00067, January 1, 2016, to December 31, 2017 (8-306-19-039-N)

This memorandum transmits the final report on the costs incurred financial audit of ABT Associates Inc., under the Shops Plus program in Afghanistan, cooperative agreement AID-306-OAA-A-15-00067, for the period from January 1, 2016, to December 31, 2017.

The Agency contracted with the independent certified public accounting firm Davis and Associates to conduct the audit. The contract required the audit firm to perform the audit in accordance with generally accepted government auditing standards.

The audit firm states that it performed its audit in accordance with generally accepted government auditing standards. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on the auditee's schedule of costs incurred; the effectiveness of its internal control; or its compliance with the award, laws, and regulations¹

The audit objectives were mainly to: (1) express an opinion on whether the schedule of costs incurred was presented fairly, in all material respects; (2) evaluate the auditee's internal controls (3) determine whether the auditee complied with the award terms and applicable laws and regulations; and (4) determine if the auditee has taken adequate

¹ We reviewed the audit firm's report for conformity with professional reporting standards. Our desk reviews are typically performed to identify any items needing clarification or issues requiring management attention. Desk reviews are limited to review of the audit report itself and excludes review of the auditor's supporting working papers; they are not designed to enable us to directly evaluate the quality of the audit performed.

corrective action on prior audit recommendations. To answer the audit objectives, the auditors performed the subject financial audit that covered \$4,804,061 in expenditures for the period from January 1, 2016, to December 31, 2017.

The audit firm expressed an unmodified opinion on the schedule of cost incurred and did not identify any questioned cost. The audit firm did not identify any significant deficiency or material weakness in internal control. The audit firm did not identify any instances of noncompliance.

The report does not contain any recommendation for your action.

We appreciate the assistance extended to the audit staff during the engagement.

The OIG does not routinely distribute independent public accounting reports beyond the immediate addressees because a high percentage of these reports contain information restricted from release under the Trade Secrets Act, 18 U.S.C. 1905 and Freedom of Information Act Exemption Four, 5 U.S.C. 552(b)(4) ("commercial or financial information obtained from a person that is privileged or confidential").

Enclosed: a/s