

# SIGAR

## Special Inspector General for Afghanistan Reconstruction

SIGAR 24-21 Financial Audit

USAID's [REDACTED]  
[REDACTED] in Afghanistan”  
Program: Audit of Costs Incurred by [REDACTED]

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**Financial information contained in this report may be privileged. The restrictions of 18 USC 1905 should be considered before any information is released to the public.**



MAY  
2024

# SIGAR

## Special Inspector General for Afghanistan Reconstruction

### WHAT THE AUDIT REVIEWED

On June 1, 2021, the U.S. Agency for International Development (USAID) awarded a 1-year, \$2,200,000 grant to [REDACTED] in support of the [REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]  
Afghanistan” program. The purpose of the program was to provide Afghans living in informal settlements with assistance to lessen their dependence on humanitarian aid. The grant required [REDACTED] to support vulnerable people; increase household income, housing land, and property rights; and build the resilience of the next generation through apprenticeship programs. USAID modified the agreement three times, which increased the total grant amount to \$4,400,000 and extended the period of performance to January 31, 2023.

SIGAR’s financial audit, performed by Crowe LLP (Crowe), reviewed \$4,400,000 in costs charged to the agreement from June 1, 2021, through January 31, 2023. The objectives of the audit were to (1) identify and report on material weaknesses or significant deficiencies in [REDACTED] internal controls related to the agreement; (2) identify and report on instances of material noncompliance with the terms of the agreement and applicable laws and regulations, including any potential fraud or abuse; (3) determine and report on whether [REDACTED] has taken corrective action on prior findings and recommendations; and (4) express an opinion on the fair presentation of [REDACTED] Special Purpose Financial Statement (SPFS). See Crowe’s report for the precise audit objectives.

In contracting with an independent audit firm and drawing from the results of the audit, auditing standards require SIGAR to review the work performed. Accordingly, SIGAR oversaw the audit and reviewed its results. Our review disclosed no instances wherein Crowe did not comply, in all material respects, with generally accepted government auditing standards issued by the Comptroller General of the United States.

May 2024

USAID’s [REDACTED]  
[REDACTED] Afghanistan” Program: Audit of Costs  
Incurred by [REDACTED]

SIGAR 24-21-FA

### WHAT SIGAR FOUND

Crowe identified two significant deficiencies in [REDACTED] internal controls and two instances of noncompliance with the terms of the agreement. For example, Crowe found that [REDACTED] did not provide a documented reconciliation of the equipment records to the general ledger. Crowe did not identify any questioned costs. [REDACTED] was notified of the deficiencies and compliance issues prior to publication of this report.

Crowe identified one prior audit report that was relevant to [REDACTED] agreement. The report contained three findings and accompanying recommendations that could have a material effect on the SPFS. Crowe conducted follow-up procedures and concluded that [REDACTED] took adequate corrective action on all three findings.

Crowe issued an unmodified opinion on [REDACTED] SPFS, noting that it presents fairly, in all material respects, revenues received and costs incurred 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 [REDACTED] to address the report’s two internal control findings.
2. Advise [REDACTED] to address the report’s two noncompliance findings.



**SIGAR**

Office of the Special Inspector General  
for Afghanistan Reconstruction

May 8, 2024

The Honorable Samantha Power  
Administrator, U.S. Agency for International Development

Ms. Sarah Charles  
Assistant to the Administrator, USAID Bureau for  
Humanitarian Assistance

We contracted with Crowe LLP (Crowe) to audit the costs incurred by [REDACTED] under a grant from the U.S. Agency for International Development (USAID) to support the [REDACTED] Afghanistan” program.<sup>1</sup> The purpose of the program was to provide Afghans living in informal settlements with assistance to lessen their dependence on humanitarian aid. Crowe reviewed \$4,400,000 in costs charged to the agreement from June 1, 2021, through January 31, 2023. Our contract with Crowe required that the audit be performed in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States.

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

1. Advise [REDACTED] to address the report’s two internal control findings.
2. Advise [REDACTED] to address the report’s two noncompliance findings.

Crowe discusses the results of the audit in detail in the attached report. We reviewed Crowe’s report and related documentation. We also inquired about Crowe’s conclusions in the report and the firm’s compliance with applicable standards. Our review, as differentiated from an audit of the financial statements 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 [REDACTED] Special Purpose Financial Statements, or conclusions about the effectiveness of internal control over financial reporting or on compliance with laws and other matters. Crowe is responsible for the attached auditor’s report, dated February 22, 2024, and the conclusions expressed therein. However, our review disclosed no instances in which 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.

John F. Sopko  
Special Inspector General  
for Afghanistan Reconstruction

(F-265)

<sup>1</sup> The grant number is [REDACTED]



[REDACTED]

[REDACTED]

[REDACTED] Afghanistan Program

Grant No. [REDACTED]

**Special Purpose Financial Statement**

**For the Period June 1, 2021, through January 31, 2023**

**(With Independent Auditor's Report Thereon)**



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## TRANSMITTAL LETTER

March 8, 2024

To the Board of Directors and Management of [REDACTED]

To the Office of the Special Investigator 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 audit of the special purpose financial statement (SPFS) applicable to [REDACTED] grant number [REDACTED] funded by the United States Agency for International Development's (USAID) Bureau for Humanitarian Assistance (BHA), to support the [REDACTED] Afghanistan Program, for the period June 1, 2021, through January 31, 2023.

Within the pages that follow we have provided a summary of the work performed. Following the summary, we have incorporated our report on the Special Purpose Financial Statement, our report on internal control and our 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 [REDACTED] USAID, and the Office of the Special Inspector General for Afghanistan Reconstruction (SIGAR) provided both in writing and orally throughout the audit planning and fieldwork phases. Management's final written responses are incorporated as Appendix A to the final report.

Thank you for providing us the opportunity to work with you and to conduct the financial audit of [REDACTED] grant.

Sincerely,

Bert Nuehring, CPA  
Partner  
Crowe LLP



## Summary

### Background

Effective June 1, 2021, the United States Agency for Development (USAID) Bureau for Humanitarian Assistance (BHA) awarded a \$2,200,000 grant to [REDACTED] or the [REDACTED] Afghanistan Program. The grant was modified three times, increasing the total award to \$4,400,000, and extending the period of performance through January 31, 2023.

The purpose of this award was to use a neighborhood-based response to provide Afghans living in informal settlements with humanitarian assistance, supporting them so that they may no longer have a continued dependence on humanitarian aid. [REDACTED] objectives under the award were to save lives in the areas of highest need; increase respect for international humanitarian law and reduce protection violations; support vulnerable people and increase their household income; increase housing land and property rights; and build resilience of the next generation through apprenticeship programs.

The three modifications occurring within the audit period are summarized below:

Modification	Purpose
01	<ul style="list-style-type: none"> <li>Extension of the grant period for an extra six months, changing the completion date from 5/31/2022 to 11/30/2022</li> <li>Increase in funding for the project by \$2,200,000, making the project's total budget \$4,400,000</li> </ul>
02	<ul style="list-style-type: none"> <li>Extension of the grant period changing the completion date to 1/31/2023</li> </ul>
03	<ul style="list-style-type: none"> <li>Validates the no-cost extension which was acknowledged by the AOR in a letter dated 10/31/2022 extending the period of performance to 1/31/2023</li> </ul>

### Work Performed

The Office of the Special Inspector General for Afghanistan Reconstruction ("SIGAR") engaged Crowe LLP ("Crowe" or "we" or "our") to conduct a financial audit of Grant No. [REDACTED] awarded to [REDACTED]. Crowe's audit encompasses the period of June 1, 2021, through January 31, 2023. During this span, [REDACTED] reported revenues of \$4,400,000 and incurred costs of \$4,400,000, which represents the amount audited. Crowe's audit of [REDACTED] was limited in scope to the activities and expenditures associated with the grant.

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## 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* and were completed by Crowe:

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

Expressed an opinion on whether [REDACTED] Special Purpose Financial Statement for the award presented 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 generally accepted accounting principles or other comprehensive basis of accounting.

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

Evaluated and obtained a sufficient understanding of [REDACTED] internal control related to the award; assessed control risk; and identified and reported on significant deficiencies, including material internal control weaknesses.

### **Audit Objective 3 – Compliance**

Performed tests to determine whether auditee complied, in all material respects, with the award requirements and applicable laws and regulations; and identified and reported 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**

Determined and reported on whether [REDACTED] 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 or other financial data significant to the audit objectives.

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## Scope

The scope of the audit included the total costs incurred and revenues earned of \$4,400,000, during the period of June 1, 2021, through January 31, 2023. The audit was limited to those matters and procedures pertinent to the grant that could have a direct and material effect on the SPFS. The audit also included an evaluation of the presentation, content, and underlying records of the SPFS. Further, 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 Activities;
- Allowable Costs;
- Cash Management;
- Eligibility;
- Equipment and Real Property;
- 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 [REDACTED] internal controls over compliance and financial reporting and determined if adequate corrective action was taken in response to prior audit, assessment, and review comments, as applicable.

To address Audit Objective 1, which pertains to [REDACTED] SPFS, transactions were selected from the financial records underlying the SPFS and were tested to determine if the transactions were recorded accurately and were consistent with the terms and conditions of the award; were incurred within the period covered by the SPFS and in alignment with specified cutoff dates; were appropriately allocated to the award if the cost benefited multiple objectives; and were adequately supported.

In order to address Audit Objective 2, which relates to [REDACTED] internal controls, Crowe requested, and [REDACTED] provided, copies of policies and procedures to provide Crowe with an understanding of the system of internal control established by [REDACTED] during the period of performance. To the extent documented policies and procedures were unavailable, Crowe conducted interviews with management to obtain an understanding of the processes that were in place during the period of performance. The system of internal control is intended to provide reasonable assurance of achieving reliable financial reporting and compliance with applicable laws and regulations. Crowe corroborated the internal controls and tested them where compliance issues could arise.

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Audit Objective 3 required that tests be performed to obtain an understanding of [REDACTED] compliance with requirements applicable to the award. Crowe identified – through review and evaluation of the grant executed by and between USAID and [REDACTED] – the criteria against which to test the SPFS and supporting financial records and documentation. Using various sampling techniques, including, but not limited to, audit sampling guidance for compliance audits provided by the American Institute of Certified Public Accountants, Crowe selected transactions, cash requests, procurements, and reports for testing. Supporting documentation was provided by [REDACTED] and was subsequently evaluated to assess [REDACTED] 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 applicable regulations and the grant with USAID.

Regarding Audit Objective 4, Crowe inquired of [REDACTED] SIGAR, and USAID personnel participating in the audit entrance conference to understand whether there were prior audits, reviews, or assessments that were pertinent to the audit scope. Crowe also conducted an independent search of publicly available information to identify audit and review reports. Crowe identified one audit report, which contained three findings that could have a material effect on the SPFS or other financial data significant to the audit objectives. Crowe performed testing in the current period to determine if the prior year findings were remediated. Accordingly, Crowe determined that all three prior audit findings were remediated. For more information see **Section II: Summary Schedule of Prior Audit, Review and Assessment of Finding**.

## Summary of Results

Upon completion of Crowe's procedures, Crowe identified two findings that 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 grant; and/or (4) questioned costs resulting from identified instances of noncompliance.

Crowe issued an unmodified opinion on the SPFS.

Crowe also reported on [REDACTED] internal controls over financial reporting and compliance with applicable laws, rules, regulations, and the terms and conditions of the grant. In total, two significant deficiencies in internal control and noncompliance (2023-01 and 2023-02), were reported.

We identified \$0 in total questioned costs. SIGAR requires that questioned costs be classified as either "ineligible" or "unsupported." SIGAR defines unsupported costs as those that are not supported with adequate documentation or did not have required prior approvals or authorizations. Ineligible costs are those that are explicitly questioned because they are unreasonable; prohibited by the audited grant or applicable laws and regulations; or are unrelated to the award.

In performing our testing, we considered whether the information obtained during our testing resulted in either detected or suspected material fraud, waste, or abuse, which would be subject to reporting under Government Auditing Standards.

Crowe also requested from [REDACTED] SIGAR, and USAID, copies of prior audits, reviews, and evaluations pertinent to [REDACTED] activities under the grant. Crowe reviewed one prior audit report that contained three findings which may be direct and material to the Special Purpose Financial Statement or other financial information or financial data significant to the audit objectives. Crowe performed testing in the current period to determine if the prior audit findings were remediated. Crowe determined that all of the prior findings have been remediated and were not repeated in the audit.

The following summary is intended to present an overview of the audit results and is not intended to be a representation of the audit's results in their entirety.

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**Schedule of Findings and Questioned Costs**

Finding No.	Finding Name	Classification	Questioned Costs (USD)
2023-01	<b>Incomplete and Inaccurate Equipment and Inventory Listing</b>	Significant Deficiency in Internal Control and Noncompliance	\$0
2023-02	<b>Sub-recipient Monitoring</b>	Significant Deficiency in Internal Control and Noncompliance	\$0
<b>Total Questioned Costs:</b>			<b>\$0</b>

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## Summary of Management Comments

[REDACTED] provided management responses and additional documentation on 22 February 2024. [REDACTED] accepted the errors noted in the first finding but disagreed with components of the recommendation and requested that the recommendation be removed. In the second finding, [REDACTED] disagreed with both the finding and recommendation, and requested that the observation be removed, as explained below. Crowe has evaluated management's responses and reviewed the documentation provided; however, the information provided did not change the noted conditions in each finding. Therefore, we provided a rebuttal to each of management's responses in Appendix B of this report. The following summarizes management's responses:

1. **Finding 2023-01:** [REDACTED] acknowledged the noted errors and omission on its equipment "Inventory Report", and the discrepancies noted in the reconciliation of inventory records to the general ledger. However, [REDACTED] disagreed with the recommendation to update its operating procedures for maintaining property and equipment inventory and to enhance training for staff and supervisory personnel on verifying that reconciliations are complete and accurate. [REDACTED] position was that its existing policies and procedures were sufficient to comply with the terms of the award agreement.
2. **Finding 2023-02:** [REDACTED] disagreed with the finding and recommendation that [REDACTED] agreements with subrecipients did not include all provisions required by Award [REDACTED] Section 5 Audits, 5.1. [REDACTED] provided additional information and documentation to support their position that the subaward terms were sufficient since they included general references to comply with the Funding Agency's requirements and general terms and conditions.

## Reference to Appendices

The auditor's reports are supplemented by two appendices, **Appendix A**, which contain management's responses to the audit finding; and **Appendix B**, which contains the auditor's rebuttal.



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Management of [REDACTED]  
[REDACTED]

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

### Report on the Special Purpose Financial Statement

#### *Opinion*

We have audited the Special Purpose Financial Statement (the "Statement") of [REDACTED] with respect to the grant number [REDACTED] funded by the United States Agency for International Development (USAID) Bureau for Humanitarian Assistance (BHA), to support the [REDACTED] Afghanistan Program, which comprises the revenues earned, costs incurred and balance for the period June 1, 2021, through January 31, 2023, and the related notes to the Statement.

In our opinion, the accompanying Statement presents fairly, in all material respects, the revenues earned, costs incurred, and balance of [REDACTED] for the period June 1, 2021, through January 31, 2023, in accordance with the financial reporting provisions of the Office of the Special Inspector General for Afghanistan Reconstruction ("SIGAR") and the terms and conditions of award [REDACTED] as described in Notes 1 and 2.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* ("GAGAS"), 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 Special Purpose Financial Statement section of our report. We are required to be independent of [REDACTED] 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.

### ***Basis of Presentation and Accounting***

We draw attention to Notes 1 and 2 of the Statement, which describes the basis of presentation and accounting. As described in Notes 1 and 2 to the Statement, the Statement is prepared by [REDACTED] with revenues and expenditures prepared in accordance with the requirements specified by SIGAR. The expenditures are presented as permitted under the terms of Grant Number [REDACTED] which is a cash basis of accounting. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Special Purpose Financial Statement***

Management is responsible for the preparation and fair presentation of the Statement in accordance with the financial reporting provisions of SIGAR and the terms and conditions of grant number [REDACTED]. 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 Responsibilities for the Audit of the Special Purpose Financial Statement***

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 GAAS and *Government Auditing Standards* 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 Statement.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Statement, 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 Statement.
- Obtain an understanding of internal control relevant to the audit 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 [REDACTED] internal control. Accordingly, no such opinion is expressed.
- 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 Statement.

We are required to 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.

### ***Restriction on Use***

Our report is intended solely for the information and use of [REDACTED] USAID, and SIGAR and is not intended to be and should not be used by anyone other than these specified parties. 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.

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### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated 22 February 2024, on our consideration of [REDACTED] internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of [REDACTED] internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering [REDACTED] internal control over financial reporting and compliance.

*Crowe LLP*

Crowe LLP

22 February 2024  
Washington, D.C.

[REDACTED]  
 Special Purpose Financial Statement  
 Grant Number [REDACTED]  
 For the Period June 1, 2021, through January 31, 2023

	Budget	Actual	Ineligible	Unsupported	Notes
<b>Revenues</b>					
Grant Number 720BHA21GR00307	\$ 4,400,000	\$ 4,400,000			
Total Revenue	4,400,000	4,400,000			3
<b>Costs Incurred</b>					
Salaries	1,084,949	1,098,331			
[REDACTED]					
Travel and Transport	43,600	49,964			
Program Supplies	995,024	972,118			
Transversal	-	-			
Other Direct Costs	294,874	303,397			
USAID Branding and Marketing	-	-			
Contractual/Sub-Awards	1,684,500	1,684,500			
[REDACTED]					
Total Costs Incurred	\$ 4,400,000	4,400,000			4
<b>Outstanding Fund Balance</b>	-	-			9

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



Special Purpose Financial Statement  
Grant Number [REDACTED]  
For the Period June 1, 2021, through January 31, 2023

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**Note 1. Basis of Presentation**

The accompanying Special Purpose Financial Statement (the "Statement") includes costs incurred under Award Number [REDACTED] for the [REDACTED] Afghanistan" for the period June 1, 2021, to January 31, 2023. Because the Statement presents only a selected portion of the operations of [REDACTED] it is not intended to and does not present the financial position, changes in net assets, or cash flows of [REDACTED]. 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 Number [REDACTED]. 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**

a. Basis of Accounting

Revenues and expenditures reported on the Statement are reported on the basis of general accounting principles and recorded via [REDACTED] accounting system. Expenditures are recognized following the cost principles contained in single-entry cash accounting software called [REDACTED] and integrated on a yearly basis in [REDACTED] global double-entry accounting software called [REDACTED] to be certified by Statutory Auditors, wherein certain types of expenditures are not allowable or are limited as to reimbursement. [REDACTED] uses cash basis of accounting.

b. Foreign Currency Conversion Method

For purposes of preparing the Statement, translations from local currency to United States dollars were not required. [REDACTED] report is presented in USD, and conversion from local currencies into USD has been made following Inforeuro exchange rate, as per [REDACTED] global accounting policies. All amounts presented are shown in U.S. dollars.

**Note 3. Revenues**

Revenues on the Statement represent the amount of funds to which [REDACTED] is entitled to receive from BHA for allowable, eligible costs incurred under the grant during the period of performance.

**Note 4. Cost Categories**

The budget categories presented, and associated amounts reflect the budget line items presented within the final, approved award budget adopted as a component of the [REDACTED] P001 to the award dated on May 3rd, 2022.

<b>Costs Billed</b>	
<b>Category</b>	<b>Costs</b>
Salaries	\$1,084,949
[REDACTED]	\$
Travel and Transport	\$43,600
Program Supplies	\$995,024
Transversal	\$0
Other Direct Costs	\$294,874
USAID Branding and Marking	\$0
Contractual/Sub-Awards	\$1,684,500

(Continued)

Special Purpose Financial Statement  
 Grant Number [REDACTED]  
 For the Period June 1, 2021, through January 31, 2023

Total Costs Billed	\$4,400,000

(\*) Indirect costs are reported based on the [REDACTED] NICRA as shown below:

Type	Date Issued	Effective Period		Indirect Cost Rate
		From	Through	
Final	03/29/2021	06/01/2021	01/31/2023	[REDACTED]

It is to be noted that [REDACTED] NICRA for the year 2021 is the Final, not the provisional one. The 2021 [REDACTED] NICRA has been applied to all costs billed as per BHA's confirmation.

**Note 5. Reconciliation**

The fund balance presented on the Statement represents the difference between funds received and costs incurred such that an amount greater than \$0 would reflect those revenues have been received that exceed the costs incurred or charged to the agreement and an amount less than \$0 would indicate that costs have been incurred, but are pending additional evaluation before a final determination of allowability and amount of revenue earned may be made.

**Note 6. Currency**

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

**Note 7. Program Status**

The [REDACTED] "Afghanistan" is complete.

**Note 8. Subrecipients**

Under this agreement, BHA accepted [REDACTED] to allow two sub-awards to partners. Those two partners are international NGO, [REDACTED]

[REDACTED] has been granted \$121,500.00 and reported 100% of this budget. The [REDACTED] has been granted \$1,563,000.00 and also reported 100% of this budget.

[REDACTED] completed the mapping of communities using a Neighborhood-based approach, site-level indicative assessment of [REDACTED] and informal settlements and the household multi-sector vulnerability assessment of host community and informal settlements.

[REDACTED] jointly with [REDACTED] provided the most vulnerable Afghans living in Informal Settlements (ISETs) with humanitarian assistance, supporting them towards stability, in [REDACTED] provinces. [REDACTED] and [REDACTED] have established [REDACTED] new [REDACTED] reaching a total of 45,524 households. The NGOs also launched a large campaign with relevant local authorities, the local community and national and international NGOs to coordinate the activity of the community centers, inform the targeted population of its objectives and ensure the efficiency of the different services provided. The community has been sensitized to these services through public meetings, information and awareness sessions, and posters. E-Cash assistance and TVET (Technical Vocational Education and Training) apprenticeships have also been implemented.

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Special Purpose Financial Statement  
Grant Number [REDACTED]  
For the Period June 1, 2021, through January 31, 2023

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**Note 9. Funds Balance**

The project did not generate any revenue. The total costs incurred by [REDACTED] amounts \$4,400,00.00, which corresponds to the total Costs Billed as stated in note 4. The balance for revenues and costs is then \$4,400,000.00, matching the total funds requested by [REDACTED] to BHA.

**Note 10. Funds Reconciliation**

As detailed in note 4, Total Costs Billed to BHA amounts \$4,400,000.00, amount which matches the total revenues received by [REDACTED]. These revenues have been received in 13 installments.

Installments received breakdown:

- 1st installment: \$424,881.00 received on 10/23/2021.
- 2nd installment: \$75,119.00 received on 10/25/2021.
- 3rd installment: \$133,987.00 received on 02/25/2022.
- 4th installment: \$67,978.00 received on 02/25/2022.
- 5th installment: \$100,000.00 received on 03/25/2022.
- 6th installment: \$182,000.00 received on 04/21/2022.
- 7th installment: \$1,100,000.00 received on 06/01/2022.
- 8th installment: \$430,000.00 received on 09/21/2022.
- 9th installment: \$195,313.00 received on 09/27/2022.
- 10th installment: \$250,000.00 received on 10/25/2022.
- 11th installment: \$295,549.00 received on 10/25/2022.
- 12th installment: \$220,000.00 received on 12/27/2022.
- 13th installment: \$925,173.00 received on 01/19/2023.

**Note 11. Significant Events during Project Implementation**

The activities have been analyzed throughout the project life and detailed in the Final Performance Report that has been submitted. The main event that has impacted the activities' implementation is the change of authorities in August 2021. This event has caused some delays at the beginning of the project, but all activities were finally successfully delivered.

**Note 12. Subsequent Events**

Management has performed an analysis of the activities and transactions subsequent to the June 1, 2021, through January 31, 2023, period covered by the Statement. The transactions have been verified and validated when preparing the different reports [REDACTED] submitted, ending with the Final Financial Report. This Final Report has been submitted along with the ledger detailing the expenses allocated under this grant. Management has performed their analysis through 22 February 2024.



## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL

To the Board of Directors and Management of [REDACTED]  
[REDACTED]

To the Office of the Special Investigator 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 [REDACTED] with respect to grant number [REDACTED] funded by the United States Agency for International Development (USAID) Bureau for Humanitarian Assistance (BHA), to support the [REDACTED] Afghanistan Program, for the period June 1, 2021, through January 31, 2023, and the related notes to the Statement, and have issued our report thereon dated 22 February 2024.

### Report on Internal Control over Financial Reporting

In planning and performing our audit of the Statement, we considered [REDACTED] internal controls over financial reporting (internal control) as a basis for designing 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 [REDACTED] internal control. Accordingly, we do not express an opinion on the effectiveness of [REDACTED] internal control.

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 financial statements 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 was for the limited purpose described in the first paragraph of this section 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify significant deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as 2023-01 and 2023-02 that we consider to be significant deficiencies.



## █ Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on █ response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. █ response was not subjected to the other auditing procedures applied in the audit of the Statement and, accordingly, we express no opinion on the response.

### **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 █ USAID, 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 LLP*

Crowe LLP

22 February 2024  
Washington, D.C.

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE

To the Board of Directors and Management of [REDACTED]  
[REDACTED]

To the Office of the Special Investigator 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 [REDACTED] with respect to grant number [REDACTED] funded by USAID's Bureau for Humanitarian Assistance (BHA), to support the [REDACTED]

Afghanistan Program, for the period June 1, 2021, through January 31, 2023, and the related notes to the Statement, and have issued our report thereon dated 22 February 2024.

### Management's Responsibility for Compliance

Compliance with Federal rules, laws, regulations, and the terms and conditions applicable to the award, is the responsibility of the management of [REDACTED]

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether [REDACTED] Statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the Statement. 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 two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2023-01 and 2023-02.

### [REDACTED] Response to Findings

*Government Auditing Standards* requires the auditor to perform limited procedures on [REDACTED] response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. [REDACTED] response was not subjected to the other auditing procedures applied in the audit of the Statement and, accordingly, we express no opinion on the response.

## **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 [REDACTED] USAID, 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 LLP*

Crowe LLP

22 February 2024  
Washington, D.C.



Section I: Schedule of Findings and Questioned Costs  
Award Number [REDACTED]  
For the Period June 1, 2021, through January 31, 2023

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**2023-01: Incomplete and Inaccurate Equipment and Inventory Listing**

Significant Deficiency in Internal Control and Noncompliance

**Condition:** The Inventory Report for equipment property which [REDACTED] provided for testing did not include the "Acquisition Date" or "Cost," and [REDACTED] did not provide a documented reconciliation of the equipment records to the general ledger. [REDACTED] subsequently provided an updated report with the referenced information. However, the auditor noted errors as the amounts reported for two of the transactions (Air Conditioner Unit Costs) was incorrect. A third report was provided, but those amounts also did not reconcile to the amounts reported in the general ledger for the same two noted transactions.

**Criteria:**

Attachment 3 of Agreement [REDACTED] Section 7, states,

1. "The recipient must maintain the Property in good condition, have management procedures to protect the Property, and maintain an accurate inventory of all Property. Maintenance procedures must include the following:
  - a. Accurate description of the Property, including serial number, model number, or other identifying number, acquisition date and cost, location and condition, and data on the disposition of any Property (date of disposition, sales price, method used to determine current fair market value, etc.), as applicable.
  - b. A physical inventory of Property that must be taken, and the results reconciled with the equipment records, at least once every two years during the period of this award."
2. "Property means equipment, supplies, real property, and intangible property, each defined individually below, financed under this award or furnished by USAID:
  - a. Equipment means tangible nonexpendable personal property (including information technology systems) having a useful life of more than one year, and an acquisition cost of \$5,000 or more per unit. However, consistent with the recipient's policy, lower limits may be established.
  - b. Supplies means tangible personal property excluding equipment. A computing device is a supply if the acquisition cost is less than \$5,000 per unit.
  - c. Real Property means land, including land improvements, structures and appurtenances, including permanent fixtures.
  - d. Intangible Property includes, but is not limited to, intellectual property, such as trademarks, copyrights, patents and patent applications, and debt instruments, such as bonds, mortgages, leases or other agreements between a lender and a borrower."

**Questioned Costs:** \$0

**Effect:** [REDACTED] cannot assert the completeness of the Inventory Report for property financed under the award or furnished by USAID and whether or not the property is being maintained and used for the program for which it was acquired during the period of the award. In addition, Federal funds that may be used to support the program may be spent on property that either cannot be accounted for or used on costs that may not be allowable by the program.

**Cause:** [REDACTED] did not train staff or implement adequate procedures to comply with Attachment 3 of the award agreement, including the need to maintain complete equipment records, including acquisition date and cost, and conduct a physical inventory of equipment and reconcile the records to the general ledger at least once every two years.

**Recommendation:** We recommend that [REDACTED] should update its operating procedures for maintaining property and equipment to include each of the required elements in Attachment 3 of the award agreement

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Section I: Schedule of Findings and Questioned Costs  
Award Number [REDACTED]  
For the Period June 1, 2021, through January 31, 2023

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as noted above, and include a requirement to perform a physical inventory count and reconciliation to the general ledger at least once every two years. In addition, we recommend that [REDACTED] train staff and enhance supervisory level procedures to review the completeness and accuracy of physical inventory counts and reconciliations.

**FINDING 2023-02: Sub-recipient Monitoring**

Significant Deficiency in Internal Control and Noncompliance

**Condition:** [REDACTED] did not include the applicable requirements listed below in their two subaward agreements as required under the terms of Award [REDACTED] under "Standard Provisions for non-US non- Governmental Organizations". The auditor noted that although [REDACTED] subaward agreement with Subrecipient #1 included a section on *Audit, Monitoring, and Allowable Costs*, it was not consistent with the requirements listed below. [REDACTED] subaward agreement for Subrecipient #2 did not address the standard provisions.

**Criteria:**

Award [REDACTED] Section 5 Audits, 5.1 Scope of Audits states, "If the recipient has a current negotiated indirect costs rate agreement (NICRA), including provisional rates, the independent auditor must examine the recipient's organization-wide general-purpose financial statements (i.e., balance sheet, income statement, and where appropriate, cash flows statement). The financial statements and the schedule of expenditures of USAID awards must be for the same audit period.

Under Attachment 3 -Standard Provisions (a) The following provisions are required to be included in the subaward agreement with [REDACTED]

1. Allowable Costs;
2. Accounting, Audit, And Records;
6. USAID Eligibility Rules for Procurement of Commodities and Services;
7. Title to and Use of Property;
9. Marking and Public Communications Under USAID-Funded Assistance;
10. Award Termination and Suspension;
11. Recipient and Employee Conduct;
12. Debarment and Suspension;
14. Preventing Transactions with, or the Provision of Resources or Support To, Sanctioned Groups and Individuals;
15. Trafficking in Persons;
17. Equal Participation by Faith- Based Organization;
20. Limiting Construction Activities;
22. Pilot Program for Enhancement of Grantee Employee Whistleblower Protections;
24. Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements;
25. Child Safeguarding;
26. Mandatory Disclosures;
27. Non-Discrimination Against Beneficiaries;

Section I: Schedule of Findings and Questioned Costs  
Award Number [REDACTED]  
For the Period June 1, 2021, through January 31, 2023

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28. Conflict of Interest; &  
29. Prohibition on Certain Telecommunication and Video Surveillance Services or Equipment.”

**Questioned Costs:** \$0

**Effect:** Without the required terms in their subaward agreements, [REDACTED] may be unable to enforce certain provisions to verify that subrecipients are adequately meeting program objectives, effectively using the subawards for authorized purposes, and are compliant with Federal statutes, regulations, and the terms and conditions of the subaward.

**Cause:**

[REDACTED] did not have review mechanisms in place to ensure that as a pass-through entity, subrecipient agreements included the required provisions to monitor and confirm compliance with Federal statutes and regulations as required by Award [REDACTED]

**Recommendation:** We recommend that [REDACTED] implement a review of all subaward agreements prior to execution to confirm that the required standard provisions are included in the agreement prior to submission to FSRS.

Section II: Summary Schedule of Prior Audit, Review, and Assessment Findings  
Grant Number [REDACTED]  
For the Period June 1, 2021, through January 31, 2023

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Crowe reviewed one prior audit report that contained three findings and recommendations. We assessed the findings to ascertain whether the matters reported in the findings were direct and material to the Special Purpose Financial Statements ("SPFS") or other financial matters significant to the audit objectives. The report contained three findings and recommendations that Crowe determined to be significant to the objectives, and therefore, required follow-up procedures or corrective actions. Crowe concluded that [REDACTED] had taken corrective action on all of the prior findings.

Per our review, Crowe identified three findings within the **SIGAR Financial Audit 23-11 of Costs Incurred Under Agreement No. [REDACTED]** that required follow up on corrective actions.

**1. Finding 2022-01: Costs benefiting multiple programs were allocated to the Program in excess of the proportional benefit.**

**Report:** Financial Audit of Costs Incurred Under Agreement No. [REDACTED] for the period July 1, 2019, through February 28, 2022.

**Issue:** Costs benefiting multiple programs were allocated to the Program in excess of the proportional benefit, and the Auditor identified \$247,761 in total ineligible questioned costs, including \$16,542 in indirect costs.

**Status (Contested Finding):** Crowe requested a status of the prior audit Finding from [REDACTED] and noted that [REDACTED] continues to contest the Finding. Crowe did not note similar exception on the current audit.

**2. Finding 2022-02: [REDACTED] incorrectly charged ineligible travel and internet costs to the program.**

**Report:** Financial Audit of Costs Incurred Under Agreement No. [REDACTED] for the period July 1, 2019, through February 28, 2022.

**Issue:** [REDACTED] incorrectly charged ineligible travel and internet costs to the Program. Auditor identified \$1,946 in total ineligible questioned costs, including \$127 in indirect costs.

**Status (Remediated):** Crowe performed testing over Travel and Other Direct costs and did not identify the exception reported in the prior year. Crowe followed up on the questioned costs and noted that [REDACTED] concurred with the Findings and recommendations and reimbursed the Government the \$1,946.

**3. Finding 2022-03: [REDACTED] did not adhere to its internal policies relating to bi-annual employee appraisals.**

**Report:** Financial Audit of Costs Incurred Under Agreement No. [REDACTED] for the period July 1, 2019, through February 28, 2022.

**Issue:** [REDACTED] did not adhere to its internal policies relating to bi-annual employee Appraisals.

**Status (Remediated):** Crowe performed testing over Personnel costs and did not identify any exception relating to this matter.



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## Appendix A: Views of Responsible Officials

█ provided the following response to Crowe via email on 22 February 2024, regarding the findings contained in the report. The response has been included herein verbatim and source formatting retained.

### **FINDING 2023-01: Equipment and Inventory Listing was Incomplete and Inaccurate**

#### **Management Response:**

█ Afghanistan Management Response:

█ Afghanistan acknowledges the errors highlighted but would like to emphasize that they represent isolated cases. To this effect, █ Afghanistan would like to contest the specific recommendations raised and bring further information to the auditors' attention regarding: 1) its asset management and inventory procedures and 2) its updated logistics procedures.

1. █

█

█

2. █

█

█





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**FINDING 2023-02: Sub-recipient Monitoring****Management Response:**

█████ Afghanistan contests the auditor's finding regarding the absence of specific clauses related to funding agency requirements in our subrecipient agreements. To this effect, █████ Afghanistan would like to clarify that all funding agency requirements are explicitly included as separate annexes to the agreements with our subrecipients.

Indeed, it is important to note that █████ already has strong procedures in place to ensure compliance with funding agency requirements. Each subrecipient agreement undergoes a thorough review and validation process by █████ headquarters to verify that all necessary provisions are included. These provisions are based on the specific requirements outlined by funding agencies and are incorporated or annexed into our standard agreement templates.

These annexes serve as comprehensive guides that outline the specific obligations and responsibilities of both parties in alignment with the requirements stipulated by the funding agencies. By incorporating these annexes into our agreements, we ensure clear communication and mutual understanding of the compliance standards expected from both █████ and our subrecipients.

In the case of the grant under audit, Annex J of the agreement explicitly refers to the applicable requirements of the funding agency. Please refer to Annex 3 for reference.

Annex J, mentioned under section 2.2 of the original Grant Agreement "Ensure adherence to agreed implementation policies and compliance with the Funding Agency procedures as per Annex A and J, and as defined in sections 5, 6, 7, and 8," mentions the following documents: DUNS number, limiting construction activities, reporting host government taxes, audit requirements, USAID eligibility rules for procurement of commodities and services, travel and international air transportation, ocean shipment of goods, recipient and employee conduct, debarment and suspension, equal participation by faith-based organizations, prohibition on requiring certain internal confidentiality agreements or statements, child safeguarding, mandatory disclosures.

Considering the clarification brought forth here, █████ Afghanistan kindly requests that this observation be removed.



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## Appendix B: Auditor's Rebuttal

Crowe LLP ("Crowe" or "we" or "us") has reviewed the management responses of [REDACTED] ("[REDACTED]" or "the auditee") responses to the report audit findings provided to Crowe on 22 February 2024. In consideration of those views, Crowe has included the following rebuttal to certain matters presented by the auditee. Crowe incorporates a rebuttal in those instances where management disagrees with the facts presented within the condition, does not concur with Crowe's recommendation, or provides additional documentation for review. In those instances where management either agrees with the finding or with the facts in the finding, as presented, no rebuttal is provided. Using this framework, Crowe has incorporated a rebuttal to management's comments, below.

### **FINDING 2023-01: Equipment and Inventory Listing was Incomplete and Inaccurate**

[REDACTED] management acknowledged the errors noted in the finding, but disagreed with the recommendation and requested that the recommendation be removed. The noted errors included missing required data fields on [REDACTED] Inventory Report ("Acquisition Date" and "Cost") used to maintain equipment inventory records. In addition, discrepancies were noted in the reconciliation of inventory records to the general ledger. The recommendation stated that [REDACTED] should update its operating procedures for maintaining property and equipment inventory to include the missing data, explicitly require an inventory count and reconciliation at least once every two years, and train staff and supervisory personnel on verifying that reconciliations are complete and accurate.

[REDACTED] contested the recommendation to update its operating procedures for equipment/asset inventory management, citing that existing policies and procedures properly addressed the requirement. However, [REDACTED] also acknowledged that the two required data elements were missing. Therefore, we confirm the recommendation to update existing policies and procedures to explicitly include reporting on the required data fields, as stated in Attachment 3 of Agreement [REDACTED] Section 7, summarized as follows:

1. Accurate description of the Property,
2. Serial number,
3. Model number, or other identifying number,
4. **Acquisition date,**
5. **Cost,**
6. Location,
7. Condition, and
8. Data on the disposition of any Property, as applicable.

In addition, since [REDACTED] acknowledged the discrepancies noted on the reconciliation between equipment inventory and the general ledger, we confirm our recommendation to enhance existing policies and training over the reconciliation process.

**FINDING 2023-02: Sub-recipient Monitoring**

█████ disagreed with the finding and recommendation, and requested that the recommendation be removed. █████ asserted that existing subawards included the necessary provisions to comply with the applicable requirements of the funding agency (USAID/BHA). █████ provided additional documentation to support their assertion, which the auditors reviewed.

The additional documentation included highlighted pages from the existing subawards with Subrecipients which were reviewed during the audit and noted in this finding. Based on our review, we confirmed our conclusions that the terms in the subaward did not include all provisions required by Award █████ Section 5 Audits, 5.1. Specifically, the following provisions are required:

1. Allowable Costs;
2. Accounting, Audit, And Records;
6. USAID Eligibility Rules for Procurement of Commodities and Services;
7. Title to and Use of Property;
9. Marking and Public Communications Under USAID-Funded Assistance;
10. Award Termination and Suspension;
11. Recipient and Employee Conduct;
12. Debarment and Suspension;
14. Preventing Transactions with, or the Provision of Resources or Support To, Sanctioned Groups and Individuals;
15. Trafficking in Persons;
17. Equal Participation by Faith- Based Organization;
20. Limiting Construction Activities;
22. Pilot Program for Enhancement of Grantee Employee Whistleblower Protections;
24. Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements;
25. Child Safeguarding;
26. Mandatory Disclosures;
27. Non-Discrimination Against Beneficiaries;
28. Conflict of Interest; &
29. Prohibition on Certain Telecommunication and Video Surveillance Services or Equipment.”

█████ provided highlighted excerpts from each agreement as shown below; however, this additional documentation included general references and did not demonstrate that each of the required provisions were included in the agreements. We confirm our recommendation that █████ should implement these specific provisions.

**Subrecipient Grant Agreement #1**

As shown in the excerpts from the agreement below, articles subject to change are referenced but the specific, required provisions listed Award █████ Section 5 Audits, 5.1: are not included. The articles subject to changes were:

1. Section 2.1 Overview of the Project.
2. Section 5 Reporting & Monitoring:
  - 5.1 Quarterly financial reports,
  - 5.2 End of the year financial report,
  - 5.3 Annual and Semi-Annual narrative reports,
  - 5.4 Final narrative, financial and logistics report including endline indicator values, final equipment and real property inventory report.
3. Section 6. Financial Requirements:
  - 6.1 Costs eligibility,
  - 6.2 Payment modalities.



SECTION 2 - PROJECT

2.1 Overview of the Project

Overall objective in providing the grant to the Recipient is the implementation of 02EMW 23F / 70051404000007 / This is established based on the information provided in the project description.


**Subrecipient Grant Agreement #2**

The excerpts from this agreement, shown below, highlights general references to the requirements to use grant funds in accordance with the Funding Agency's procedures, and general terms and conditions; however the specific required provisions have not been included.

- Annex H - 
- Annex I - Funding Agency's logo  

- Annex K - Certifications and assurances

2.2 Project Obligations by the Recipient

- o Take all necessary steps to ensure smooth, timely and quality implementation and supervision of the project activities as outlined in the project description in Annex D.
- o 
- o Ensure proper coordination and information sharing with ACTED;



The Recipient may use the grant using its own procedures, as long as they comply with the Funding Agency






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### Subrecipient Grant Agreement #3

Again, the excerpt from this agreement, shown below, includes a general reference to comply with the general and specific guidelines of the Funding Agency, but the specific required provisions have not been included.

- regarding economy and efficiency;
- e. they are based on an objective, fair and reliable allocation method and backed up by appropriate supporting documents (e.g. timesheets, allocation tables);
- f. they are covered by the budget of the Project as set out in Annex C;
- g. they comply with the requirements of applicable tax and social legislation;
- h. 



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## 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.

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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 International: +1-866-329-8893
- Phone DSN International: 312-664-0378
- U.S. fax: +1-703-601-4065

## SIGAR's Mission

### Public Affairs Officer

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