

6 OVERSIGHT BY OTHER GOVERNMENT AGENCIES



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Kabul Orthopedic manufactures limbs, wheelchairs, and other support devices for victims of war, landmines, and explosive ordinances. (Photo by UNAMA/Abel Kavanagh)

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SIGAR’s enabling legislation requires it to keep the Secretaries of State and Defense fully informed about problems relating to the administration of Afghanistan reconstruction programs, and to submit a report to the Congress on SIGAR’s oversight work and on the status of the U.S. reconstruction effort no later than 30 days after the end of each fiscal quarter. The statute also instructs SIGAR to include, to the extent possible, relevant matters from the end of the quarter up to the submission date of its report.

Each quarter, SIGAR requests updates from other agencies on completed and ongoing oversight activities. This section compiles these updates. Copies of completed reports are posted on the agencies’ respective public websites.

The descriptions appear as submitted, with minor changes to maintain consistency with other sections of this report: acronyms and abbreviations in place of full organizational names; standardized capitalization, punctuation, and preferred spellings; and third-person instead of first-person voice.

These agencies perform oversight activities related to Afghanistan and provide results to SIGAR:

- Department of Defense Office of Inspector General (DOD OIG)
- Department of State Office of Inspector General (State OIG)
- Government Accountability Office (GAO)
- United States Agency for International Development Office of Inspector General (USAID OIG)

COMPLETED OVERSIGHT ACTIVITIES

This quarter, participating agencies issued three oversight reports related to Afghanistan, which are listed in Table O.1 and described in the following section by agency.

TABLE O.1

| COMPLETED OVERSIGHT ACTIVITIES OF OTHER U.S. AGENCIES, AS OF MARCH 31, 2024 | | | |
|---|----------------|-------------|---|
| Agency | Report Number | Date Issued | Report Title |
| DOD OIG | DODIG-2024-059 | 2/22/2024 | Audit of DOD Afghanistan Contingency Contracts Closeout |
| USAID OIG | 5-306-24-024-R | 2/29/2024 | Financial Closeout Audit of USAID Resources Managed by American University of Afghanistan |
| USAID OIG | EE1F0122 | 3/18/2024 | Withdrawal From Afghanistan: USAID Faced Challenges Assisting in the Evacuation and Relocation of Implementer Staff |

Source: DOD OIG, response to SIGAR data call, 3/15/2024; USAID OIG, response to SIGAR data call, 3/14/2024.

U.S. Department of Defense Office of Inspector General

DOD OIG completed one report this quarter related to reconstruction or security operations in Afghanistan.

Audit of DOD Afghanistan Contingency Contracts Closeout

This audit reviewed whether DOD contracting officials closed out contingency contracts supporting Afghanistan operations in accordance with applicable federal laws and DOD regulations. DOD OIG found that DOD contracting personnel did not account for all contract supporting contingency efforts in Afghanistan, as required by law. Second, DOD OIG found that DOD contracting officials did not consistently close out the contingency contracts. DOD OIG reviewed 30 contracts, 20 of which were closed. Of these 20 contracts, 15 were not and four will not be closed out in accordance with the stated requirements due to contracting system errors, changes to contracting personnel, requests for equitable adjustments, among other delays. Additionally, 10 of the 20 closed contracts did not have the required contract closeout statement due to limited documentation, rotation of contracting personnel, and the contract's age. DOD OIG also found that contract data recorded in the Federal Procurement Data System was not reliable and not an accurate reflection of the contracts' status, which led DOD officials to not have access to important information. Lastly, DOD OIG reported that DOD missed the opportunity to reprogram at least \$3.7 million in canceled funds to support other contract requirements. DOD OIG made seven recommendations to DOD.

United States Agency for International Development Office of Inspector General

USAID OIG completed one financial audit and one evaluation this quarter related to Afghanistan reconstruction.

Financial Closeout Audit of USAID's Resources Managed by the American University of Afghanistan

This financial audit reviewed the American University of Afghanistan's management of the Technical Capacity Building for the American University of Afghanistan program from February 1, 2021, to December 31, 2022. AUAF contracted with the independent firm Rafaqat Babar & Co. Chartered Accountants to conduct the audit, which USAID OIG reviewed for conformity with professional reporting standards. USAID desk reviews are typically performed to identify items that need clarification or issues that require management attention. Desk reviews are limited to review of the audit report itself and exclude review of the auditor's supporting work papers; desk reviews are not designed to enable USAID OIG to directly evaluate the quality of the audit performed.

The audit aimed to (1) express an opinion on whether the schedule of expenditures of USAID awards for the period audited was presented fairly in all material respects; (2) evaluate AUAF's internal controls; and (3) determine whether AUAF complied with the award terms and applicable laws and regulations. The audit firm performed the financial audit that covered total costs of \$16,507,730 for the period from February 1, 2021, to December 31, 2022.

The audit firm concluded that the schedule of expenditures of USAID awards presented fairly, in all material respects, program revenues, costs incurred and reimbursed, commodities and technical assistance directly procured by USAID for the period audited except for questioned unsupported costs in the amount of \$7,260,631. The audit also identified \$3,861,858 in unsupported cost share contributions. The audit firm did not identify any material internal control weaknesses but identified two significant deficiencies in internal control and two material instances of noncompliance. Since USAID is no longer funding AUAF, OIG did not make the procedural recommendation for the two material instances of noncompliance. USAID OIG recommended that USAID/Afghanistan determine the allowability of \$11,122,489 (\$7,260,631 in unsupported questioned costs and \$3,861,858 in unsupported cost share contributions) and recover any amount that is unallowable.

Withdrawal from Afghanistan: USAID Faced Challenges Assisting in the Evacuation and Relocation of Implementer Staff

This evaluation's objectives were to (1) review USAID's role in the evacuation of its implementing organization staff from Afghanistan and to identify opportunities for improvement in future withdrawals, (2) review USAID's role in the relocation of its implementing organization staff from Afghanistan and identify opportunities for improvement, and (3) determine if USAID's risk management procedures effectively prepared USAID to carry out its role in the evacuation and relocation of its implementing organization staff from Afghanistan.

USAID found it lacked a clear role and experienced challenges planning and communicating during the evacuation of implementing organization staff from Afghanistan. USAID did not have defined evacuation-related roles and responsibilities or a mechanism to accurately track implementing organization staff. USAID found it was also constrained by insufficient staff and delayed guidance on how to address questions from implementing organizations, which had divided opinions about USAID's communication efforts.

USAID coordinated relocation program referrals but was constrained by the timing of the P2 program announcement, lack of related guidance, and eligibility restrictions. USAID had a limited role in P2 processing, including verifying eligibility requirements and submitting referrals to the State

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Department. Strict P2 eligibility requirements and funding challenges also prevented some implementing organization staff from leaving Afghanistan.

USAID’s Bureau for Asia did not conduct a comprehensive review of the risks that the USAID Mission in Afghanistan identified before the evacuation. This may have been due to the staff’s inadequate knowledge and experience in this area and possibly weakened USAID’s response to the withdrawal.

ONGOING OVERSIGHT ACTIVITIES

This quarter, participating agencies reported three ongoing oversight activities related to Afghanistan, which are listed in Table O.2 and described in the following section by agency.

TABLE O.2

| ONGOING OVERSIGHT ACTIVITIES OF OTHER U.S. AGENCIES, AS OF MARCH 31, 2024 | | | |
|---|----------------|----------------|--|
| Agency | Project Number | Date Initiated | Report Title |
| State OIG | 22AUD012 | 12/2/2021 | Review of the Department of State Afghan Special Immigrant Visa Program |
| State OIG | 23AUD001 | 12/13/2022 | Audit of the Disposition of Defensive Equipment and Armored Vehicles in Advance of Evacuations of Embassies Kabul and Kyiv |
| USAID OIG | 551F0123 | 4/21/2023 | Audit of USAID’s Efforts to Safeguard Implementers and Activities in Afghanistan |

Source: State OIG, response to SIGAR data call, 3/12/2024; USAID OIG, response to SIGAR data call, 3/13/2024.

State Office of Inspector General–Middle East Regional Operations

State OIG had two ongoing projects this quarter related to Afghanistan.

Review of the Department of State Afghan Special Immigrant Visa Program

This review will be issued as a series of reports in response to requests from multiple congressional committees to review a range of topics regarding the Afghan SIV program.

Audit of the Disposition of Defensive Equipment and Armored Vehicles in Advance Operations of Evacuations of Embassies Kabul and Kyiv

This audit will determine whether U.S. Embassies Kabul and Kyiv managed, safeguarded, and disposed of sensitive security assets in advance of the evacuation and suspension of operations at each post in accordance with Department of State guidance.

United States Agency for International Development Office of Inspector General

USAID OIG had one ongoing performance audit this quarter related to Afghanistan.

Audit of USAID's Efforts to Safeguard Implementers and Activities in Afghanistan

The audit will determine USAID's oversight of implementer efforts to mitigate both security and safety risks and Taliban interference in activities.