

SIGAR

Special Inspector General for
Afghanistan Reconstruction

SIGAR 25-19 Financial Audit

USAID's Reaching Impact, Saturation, and Epidemic Control Program: Audit of Costs Incurred by Jhpiego Corporation

In accordance with legal requirements, SIGAR has redacted from this report certain information because it is proprietary, could impact public safety, privacy, or security, or is otherwise sensitive.



MARCH
2025

SIGAR

Special Inspector General for Afghanistan Reconstruction

WHAT THE AUDIT REVIEWED

On March 22, 2019, the U.S. Agency for International Development (USAID) awarded a \$135,000,000 cooperative agreement to Jhpiego Corporation (Jhpiego) to support the Meeting Targets and Maintaining Epidemic Control (TMEC) Program. The agreement's purpose was to achieve and maintain HIV epidemic controls among at risk adults and key populations. Subsequently, the TMEC program was revised to incorporate COVID-19 mitigation activities under the Reaching Impact, Saturation, and Epidemic Control (RISE) program. USAID modified the agreement 63 times, increasing the total global funding to \$391,000,000, and extending the period of performance from April 14, 2024, through December 30, 2025. A total of \$1,155,000 was allocated for Afghanistan.

SIGAR's financial audit, performed by Conrad LLP (Conrad), reviewed \$1,151,158 in costs charged to the agreement from April 15, 2019, through April 14, 2024. The objectives of the audit were to (1) identify and report on material weaknesses or significant deficiencies in Jhpiego's internal controls related to the award; (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 Jhpiego has taken corrective action on prior findings and recommendations; and (4) express an opinion on the fair presentation of Jhpiego's Special Purpose Financial Statement (SPFS). See Conrad'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 Conrad did not comply, in all material respects, with generally accepted government auditing standards issued by the Comptroller General of the United States.

March 2025

USAID's Reaching Impact, Saturation, and Epidemic Control Program: Audit of Costs Incurred by Jhpiego Corporation

SIGAR 25-19-FA

WHAT SIGAR FOUND

Conrad identified one significant deficiency in Jhpiego's internal controls and one instance of noncompliance with the terms of the agreement. Conrad found that Jhpiego did not provide an allocation methodology to support the quantity of COVID-19 protective clothing and N95 masks allocated to the program, nor an allocation methodology to support utility costs allocated to the program. Jhpiego stated that there was an error calculating the utility costs allocation and reversed a partial amount charged to USAID; however, \$958 for these questioned costs remains outstanding. SIGAR notified Jhpiego of the deficiency and compliance issue prior to publication of this report.

Because of the deficiency in internal controls and the instance of noncompliance, Conrad identified \$1,226 in total questioned costs, consisting entirely of unsupported costs—costs not supported with adequate documentation or that do not have required prior approval. Conrad did not identify any ineligible costs—costs prohibited by the agreement or applicable laws and regulations.

Category	Ineligible	Unsupported	Total Questioned Costs
Materials and Supplies	\$0	\$1,048	\$1,048
	\$0		
Total Costs	\$0	\$1,226	\$1,226

Conrad identified one prior audit report containing four findings that could have a material effect on the SPFS or other financial data significant to the audit objectives. Conrad conducted follow-up procedures and concluded that Jhpiego had taken adequate corrective action on three findings. One finding was not adequately addressed and is repeated under this audit.

Conrad issued an unmodified opinion on Jhpiego's 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. Determine the allowability of and recover, as appropriate, \$1,226 in questioned costs identified in the report.
2. Advise Jhpiego to address the report's one internal control finding.
3. Advise Jhpiego to address the report's one noncompliance finding.



SIGAR

Office of the Special Inspector General
for Afghanistan Reconstruction

March 21, 2025

The Honorable Marco Rubio
Secretary of State
Acting Administrator, U.S. Agency for International Development

We contracted with Conrad LLP (Conrad) to audit the costs incurred by Jhpiego Corporation (Jhpiego) under a cooperative agreement awarded by the U.S. Agency for International Development (USAID) to support the Reaching Impact, Saturation, and Epidemic Control (RISE) program.¹ The agreement's purpose was to achieve and maintain HIV epidemic controls among at risk adults and key populations. Conrad reviewed \$1,151,158 in costs charged to the agreement from April 15, 2019, through April 14, 2024. Our contract with Conrad 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 agreement officer at USAID:

- 1. Determine the allowability of and recover, as appropriate, \$1,226 in questioned costs identified in the report.**
- 2. Advise Jhpiego to address the report's one internal control finding.**
- 3. Advise Jhpiego to address the report's one noncompliance finding.**

Conrad discusses the results of the audit in detail in the attached report. In connection with the contract, we reviewed Conrad's report and related documentation and inquired of its representatives. We also inquired about Conrad'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 Jhpiego's Special Purpose Financial Statements, or conclusions about the effectiveness of internal control over financial reporting or on compliance with laws and other matters. Conrad is responsible for the attached auditor's report, dated March 11, 2025, and the conclusions expressed therein. However, our review disclosed no instances in which Conrad did not comply, in all material respects, with U.S. generally accepted government auditing standards issued by the Comptroller General of the United States.

Please provide documentation related to corrective actions taken and/or target dates for planned completion for the recommendations to sigar.pentagon.audits.mbx.recommendation-followup@mail.mil, within 60 days from the issue date of this report.

Gene Aloise
Acting Special Inspector General
for Afghanistan Reconstruction

(F-308)

¹ The agreement no. is 7200AA19CA00003.

Jhpiego Corporation

Cooperative Agreement No. 7200AA19CA00003
Awarded by the United States Agency for International Development
in support of the Reaching Impact, Saturation, and Epidemic Control Program in
Afghanistan

For the Period of April 15, 2019, through April 14, 2024

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March 11, 2025

Board of Directors
Jhpiego Corporation
Baltimore, Maryland

Special Inspector General for Afghanistan Reconstruction (SIGAR)
2530 Crystal Drive
Arlington, VA 22202

Conrad LLP (Conrad or we) hereby provides to you our final report, which reflects results from the procedures we completed during our audit of Jhpiego Corporation's Special Purpose Financial Statement under Cooperative Agreement No. 7200AA19CA00003 awarded by the United States Agency for International Development for the period of April 15, 2019, through April 14, 2024, supporting the Reaching Impact, Saturation, and Epidemic Control Program.

On January 31, 2025, we provided SIGAR with a draft report reflecting our audit procedures and results. Jhpiego Corporation received a copy of the report on February 19, 2025 and provided written responses subsequent thereto. These responses have been considered in the formation of the final report, along with the written and oral feedback provided by SIGAR and Jhpiego Corporation's responses and our corresponding auditor analysis are incorporated into this report following our audit reports.

Thank you for providing us the opportunity to work with you, and to conduct the audit of this Cooperative Agreement.

Sincerely,

A handwritten signature in blue ink that reads "S Perera". The signature is written in a cursive style with a horizontal line underneath the name.

Sam Perera, CPA, CFE, CITP, CGMA
Partner

Jhpiego Corporation

Financial Audit of the Special Purpose Financial Statements for Cooperative Agreement No. 7200AA19CA00003 Reaching Impact, Saturation, and Epidemic Control Program

For the Period of April 15, 2019, through, April 14, 2024

Background

On March 22, 2019, the United States Agency for International Development (USAID) awarded Cooperative Agreement No. 7200AA19CA00003 (Cooperative Agreement) to Jhpiego Corporation (Jhpiego) to support the Meeting Targets and Maintaining Epidemic Control (TMEC) Program. Modification #12 to the Cooperative Agreement revised the award to update the program description to incorporate COVID activities under the Reaching Impact, Saturation, and Epidemic Control (RISE) program.

The purpose of the agreement was to achieve and maintain epidemic control through strategic technical assistance (TA) and direct service delivery (DSD) to improve prevention, HIV case finding and treatment programming in the President's Emergency Plan for AIDS Relief (PEPFAR) in supported countries. The program has four objectives, and are as follows:

- 1) Attain and maintain HIV epidemics control among at-risk adult men, women, and priority populations (PPs);
- 2) Attain and maintain HIV epidemic control among key populations (KPs);
- 3) Improve program management, health information systems (HIS), human resources for health (HRH) utilization and financial systems to ensure attainment and maintenance of epidemic control;
- 4) Support the transition of prime funding and implementation to capable local partners in order to meet the PEPFAR goal of 70% of funding to local partners by 2020.

As detailed in the Summary of Cooperative Agreement below, the original period of performance was from April 15, 2019, through April 14, 2024, with a total estimated award amount of \$135,000,000 with a cost share amount of \$9,156,223. USAID modified the agreement 63 times, extending the period of performance from April 14, 2024, through December 30, 2025, and increased the funding to \$391,000,000 with a cost share amount of \$35,695,609. For the period under audit, Jhpiego confirmed the total budget amount allocated to Afghanistan under the program is \$1,155,000. See the *Summary of Cooperative Agreement* below.

Summary of Cooperative Agreement

Cooperative Agreement Number	Original Budget and Period of Performance			Modified Budget and Period of Performance		
	Original Approved Budget (\$)	Start Date	End Date	No. of Modifications	Final Approved Budget (\$)	End Date
7200AA19CA00003	\$135,000,000	04/15/19	04/14/24	63	\$391,000,000	12/30/25

Jhpiego Corporation

Financial Audit of the Special Purpose Financial Statements for Cooperative Agreement No. 7200AA19CA00003 Reaching Impact, Saturation, and Epidemic Control Program

For the Period of April 15, 2019, through April 14, 2024

Work Performed

Conrad LLP (Conrad) was engaged by the Office of the Special Inspector General for Afghanistan Reconstruction (SIGAR) to conduct a financial audit of the agreement, as mentioned above, of Jhpiego's Special Purpose Financial Statement (SPFS) for revenues received and costs incurred under the Program in Afghanistan totaling \$1,151,158 with an outstanding fund balance of \$0 for the period of performance from April 15, 2019, through April 14, 2024. Please note that the RISE program was applicable to countries worldwide. Conrad was engaged to conduct an audit on revenue received and expense incurred in Afghanistan only and our Audit Plan are limited to program activities and operations in Afghanistan.

Objectives, Scope, and Methodology

Audit Objectives

The objectives of the audit of the aforementioned agreement include the following:

- Special Purpose Financial Statement (SPFS) – Express an opinion on whether Jhpiego's SPFS for the agreement presents fairly, in all material respects, the 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 agreement and generally accepted accounting principles or other comprehensive basis of accounting.
- Internal Controls – Evaluate and obtain a sufficient understanding of Jhpiego's internal controls related to the agreement, assess control risk, and identify and report on significant deficiencies including material internal control weaknesses.
- Compliance – Perform tests to determine whether Jhpiego complied, in all material respects, with the agreement requirements and applicable laws and regulations and identify and report on instances of material noncompliance with terms of the agreement and applicable laws and regulations, including potential fraud or abuse that may have occurred.
- Corrective Action on Prior Findings and Recommendations – Determine and report on whether Jhpiego 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.

Scope

The audit scope includes activity within the period from April 15, 2019, through April 14, 2024. Within the period under audit, the total revenues received amount was \$1,151,158 and the total costs incurred amount was \$1,151,158 with an outstanding fund balance of \$0.

(Continued)

Jhpiego Corporation

Financial Audit of the Special Purpose Financial Statements for Cooperative Agreement No. 7200AA19CA00003 Reaching Impact, Saturation, and Epidemic Control Program

For the Period of April 15, 2019, through April 14, 2024

Audit Methodology

In order to accomplish the objectives of this audit, we designed our audit procedures to include the following:

Entrance Conference

An entrance conference was held on July 23, 2024, with representatives of Jhpiego, Conrad, SIGAR, and USAID participating via conference call. The purpose of the entrance conference was to discuss the nature, timing, and extent of audit work to be performed, establish key contacts throughout the engagement, and schedule status briefings. We also discussed the timeframe for the completion of the audit.

Planning

During our planning phase, we performed the following:

- Obtained an understanding of Jhpiego. The scope of our audit includes Jhpiego's management and employees, internal and external factors that affected operations, accounting policies and procedures. We gained an understanding of Jhpiego through interviews, observations, and reading policies and procedure manuals. We interviewed top management and employees responsible for significant functions and/or programs. In addition, we reviewed the following:
 - Cooperative Agreement and modifications;
 - Any regulations that were specific to the agreement's requirements, such as 2 CFR 200 Subpart E Cost Principles, 2 CFR 700 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, USAID Automated Directives System (ADS) Chapter 303, Grants and agreements to Non-Government Organizations;
 - Audited financial statements; and
 - Previous SIGAR and USAID financial audit reports.
- Financial reconciliation – obtained and reviewed all financial reports submitted during the audit period and reconciled these reports to the accounting records to ensure all costs were properly recorded.

Special Purpose Financial Statement

In reviewing the SPFS, we performed the following:

- Reconciled the costs on the SPFS to the agreement, and the applicable general ledgers;
- Documented procedures associated with controlling funds, including bank accounts and bank reconciliations;

(Continued)

Jhpiego Corporation

Financial Audit of the Special Purpose Financial Statements for Cooperative Agreement No. 7200AA19CA00003 Reaching Impact, Saturation, and Epidemic Control Program

For the Period of April 15, 2019, through April 14, 2024

- Traced receipt of funds to the accounting records;
- Sampled and tested the costs incurred to ensure the costs were allowable, reasonable, and allocable to the agreement;
- Reviewed personnel costs to ensure they were supported, authorized, reasonable, and allowable; and
- Recalculated the indirect cost using the approved provisional negotiated indirect cost rates to ensure that the rate was accurately applied.

Internal Controls Related to the Cooperative Agreement

We reviewed Jhpiego's internal controls related to the agreement to gain an understanding of the implemented system of internal control to obtain reasonable assurance of Jhpiego's financial reporting function and compliance with applicable laws and regulations. This review was accomplished through interviews with management and key personnel, reviewing policies and procedures, and identifying key controls within significant transaction cycles and testing those key controls.

Compliance with the Cooperative Agreement Requirements and Applicable Laws and Regulations

We performed tests to determine whether Jhpiego complied, in all material respects, with the agreement requirements, 2 CFR 200, 2 CFR 700, ADS 303, and any other applicable laws and regulations. We also identified and reported on instances of material noncompliance with the terms of the agreement and applicable laws and regulations, including potential fraud or abuse that may have occurred.

Corrective Action on Prior Findings and Recommendations

We requested prior audit reports from Jhpiego and reviewed these reports to determine if there were any findings and recommendations that could have a material effect on Jhpiego's SPFS. In addition, we also conducted a search online of various governmental websites including SIGAR (www.sigar.mil), USAID (www.usaid.gov), and other applicable Federal agencies, to identify previous engagements that could have a material effect on Jhpiego's SPFS. For those engagements, Conrad evaluated the adequacy of corrective actions taken on findings and recommendations that could have a material effect on the SPFS. See the *Status of Prior Audit Findings* section on page 20.

Exit Conference

An exit conference was held on January 23, 2025, via conference call. Participants included representatives from Conrad, Jhpiego, SIGAR, and USAID. During the exit conference, we discussed the preliminary results of the audit and reporting process.

(Continued)

Jhpiego Corporation

Financial Audit of the Special Purpose Financial Statements for Cooperative Agreement No. 7200AA19CA00003 Reaching Impact, Saturation, and Epidemic Control Program

For the Period of April 15, 2019, through April 14, 2024

Summary of Results

We have summarized the details of these results in the Findings and Questioned Costs subsection below. Our summary is intended to present an overview of the audit results and is not intended to be a representation of the audit results in their entirety.

Auditor's Opinion on the SPFS

Conrad issued an unmodified opinion on the fairness of the presentation of the SPFS.

We identified \$1,226 in total questioned costs, consisting entirely of unsupported costs. Ineligible costs are explicitly questioned because they are unreasonable, prohibited by agreement's provisions or applicable laws and regulations, or not related to the program. Unsupported costs are not supported with adequate documentation or did not have required prior approvals or authorizations.

Internal control findings were classified as a deficiency, a significant deficiency, or a material weakness based on their impact on Jhpiego's SPFS. 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*. In situations in which control and compliance findings pertained to the same matter, the findings were consolidated within a single finding.

Internal Controls

Our audit identified one (1) internal control finding. The internal control finding is considered to be significant deficiency. See *Independent Auditor's Report on Internal Control* on page 14.

Compliance

The results of our testing identified one (1) instance of noncompliance. See the *Independent Auditor's Report on Compliance* on page 16.

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*. Jhpiego did not disclose any instances of alleged fraud that could have a potential impact on the Program and the SPFS. As such, there are no further communications warranting additional consideration.

(Continued)

Jhpiego Corporation

Financial Audit of the Special Purpose Financial Statements for
Cooperative Agreement No. 7200AA19CA00003
Reaching Impact, Saturation, and Epidemic Control Program

For the Period of April 15, 2019, through April 14, 2024

Finding Number	Nature of Finding	Matter	Ineligible Costs	Unsupported Costs	Cumulative Questioned Cost
2024-01	Non-compliance and Internal Control – Significant Deficiency	Missing documentation to support the costs charged to the Program.	\$ -	\$ 1,226	\$ 1,226
Total Questioned Costs			\$ -	\$ 1,226	\$ 1,226

Review of Prior Findings and Recommendations

We requested copies of prior audit reports and engagements from Jhpiego, SIGAR, and USAID pertaining to activities under the agreement. We identified one (1) prior audit report that contained four (4) findings and associated recommendations that could have a material effect on the SPFS or other financial data significant to the audit objectives. We conducted follow-up procedures which included a discussion with management, reviewing evidence of revised policies and procedures or other applicable recommended actions, and performing tests of the similar areas surrounding these issues during our audit. We concluded that Jhpiego had taken adequate corrective actions on three (3) out of the four (4) prior audit findings and associated recommendations. Accordingly, Jhpiego has not taken adequate corrective action to address one (1) finding and the associated recommendations from previous engagements that could have a material effect on the SPFS or other financial data significant to the audit objectives. The finding was repeated in the current audit and is described under Finding 2024-01. See *Status of Prior Audit Findings* on page 20 for a detailed description of the prior findings and recommendations.

Summary of Jhpiego's Responses to Findings

The following represents a summary of the responses provided by Jhpiego to the findings identified in this report (the complete responses received can be found in *Appendix A* to this report):

- (1) **Finding 2024-01:** Jhpiego disagreed with this finding and noted that the documentation provided was sufficient to show that the charges for the COVID protective clothing and N95 masks were allocable and allowable to the RISE program.

(Continued)



INDEPENDENT AUDITOR'S REPORT ON THE SPECIAL PURPOSE FINANCIAL STATEMENT

Board of Directors
Jhpiego Corporation
Baltimore, Maryland

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

Report on the Special Purpose Financial Statement

We have audited the accompanying Special Purpose Financial Statement of Jhpiego Corporation (SPFS) and the related notes to the Special Purpose Financial Statement (Statement), with respect to the Cooperative Agreement No. 7200AA19CA00003 (Cooperative Agreement) awarded by the United States Agency for International Development (USAID) to support the Reaching Impact, Saturation, and Epidemic Control Program (RISE), for the period of April 15, 2019, through April 14, 2024.

In our opinion, the Special Purpose Financial Statement referred to above presents fairly, in all material respects, the respective revenue received, costs incurred, and balances for the indicated period of April 15, 2019, through April 14, 2024, in accordance with the terms of the Cooperative Agreement and requirements provided by the Office of Special Inspector General for Afghanistan Reconstruction (SIGAR).

Basis for Opinion

We conducted our audit in accordance with 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. 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 Jhpiego Corporation, 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 Note 2 and 3 to the Special Purpose Financial Statement, which describes the basis of presentation and the basis of accounting. As described in Note 2 to the Special Purpose Financial Statement, the statement is prepared by Jhpiego Corporation on the basis of the requirements provided by SIGAR, which is a basis of accounting other than accounting principles generally accepted in the United States of America. 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 Special Purpose Financial Statement in accordance with the requirements provided by SIGAR. Management is also responsible for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of the Special Purpose Financial Statement that it 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 Special Purpose Financial 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 generally accepted auditing standards 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards 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 Special Purpose Financial 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 financial statements.
- 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 Jhpiego Corporation's 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 financial statements.

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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our reports dated March 11, 2025 on our consideration of Jhpiego Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, terms of the Cooperative Agreement, and other matters. The purpose of these 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 Jhpiego's internal control over financial reporting and compliance.

Restriction on Use

This report is intended for the information of Jhpiego Corporation, the United States Agency for International Development, and the Special Inspector General for Afghanistan Reconstruction (SIGAR) and is not intended to be and should not be used by anyone other than these specified parties. The 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. However, subject to applicable laws, this report may be released to the United States Congress and the public by SIGAR in order to provide information about programs and operations funded with amounts appropriated or otherwise made available for the reconstruction of Afghanistan.



Lake Forest, California
March 11, 2025

(Continued)

Jhpiego Corporation

Financial Audit of the Special Purpose Financial Statements for
Cooperative Agreement No. 7200AA19CA00003
Reaching Impact, Saturation, and Epidemic Control Program

For the Period of April 15, 2019, through April 14, 2024

Special Purpose Financial Statement

	<u>Budget</u>	<u>Actual</u>	<u>Ineligible</u>	<u>Unsupported</u>	<u>Total</u>	<u>Notes</u>
Revenues:				Questioned Costs		
Cooperative Agreement No. 7200AA19CA00003	\$1,155,000	\$1,151,158	\$ -	\$ -	\$ -	(4)
Total revenues	<u>1,155,000</u>	<u>1,151,158</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Costs incurred:						
[REDACTED]	-	[REDACTED]	-	-	-	
[REDACTED]	-	[REDACTED]	-	-	-	
[REDACTED]	-	[REDACTED]	-	-	-	
[REDACTED]	-	[REDACTED]	-	[REDACTED]	[REDACTED]	(A)
[REDACTED]	-	[REDACTED]	-	-	-	
[REDACTED]	-	[REDACTED]	-	-	-	
[REDACTED]	-	[REDACTED]	-	[REDACTED]	[REDACTED]	(B)
Total Costs incurred	<u>\$ 1,155,000</u>	<u>\$ 1,151,158</u>	<u>\$ -</u>	<u>\$ 1,226</u>	<u>\$ 1,226</u>	

See Notes to the Special Purpose Financial Statement and Notes to Questioned Costs Presented on the Special Purpose Financial Statement

Jhpiego Corporation

Financial Audit of the Special Purpose Financial Statements for
Cooperative Agreement No. 7200AA19CA00003
Reaching Impact, Saturation, and Epidemic Control Program

For the Period of April 15, 2019, through April 14, 2024

Notes to Special Purpose Financial Statement¹

(1) Basis of Presentation

The accompanying Special Purpose Financial Statement (Statement) includes costs incurred under the *Reaching Impact, Saturation, and Epidemic Control Program* (RISE) Cooperative Agreement No 7200AA19CA00003 program for the period April 14, 2019, to April 14, 2024. Because the Statement presents only a selected portion of the operations of Jhpiego Corporation, it is not intended to and does not present the financial position, changes in the net assets, or cash flows of Jhpiego Corporation. The information in this Statement is presented in accordance with the requirements specified by SIGAR and is specific to the aforementioned Federal Cooperative Agreement. Therefore, some amounts presented in this Statement may differ from the amounts presented in, or used in the preparation of, the basic financial statements.

(2) Basis of Accounting

Expenditures reported on the Statement are reported on cash basis of accounting and presents amounts as presented under the terms of the Agreement. Such expenditures are recognized following the cost principles contained in 2 CFR 200 Subpart E, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Statement revenue corresponds to flow of funds received from USAID.

(3) Foreign Currency Conversion Method

For purposes of preparing the Statement, conversions from local currency to United States dollars were not required. Jhpiego maintains the funds in Afghanistan in USD and does not have a local Afghani account. When local currency is needed, the required funds are converted from USD to local currency and the amount is recorded in USD using the actual exchange rate from the bank on the date of the conversion.

(4) Revenue

Revenue is recognized on the cash basis which recognizes expenditures at the time cash is paid. Revenues on the Statement represent the total of funds drawn against the letter of credit for this program during the audit period. Jhpiego Corporation is entitled to receive these funds from USAID for allowable, eligible costs incurred under the agreement during the period of performance. The Total Revenue draw down for the audit period is \$1,151,158.

(5) Costs incurred by Budget Category

The RISE agreement budget includes a global award budget with cost categories limited to Direct Costs, Indirect Costs, and Total USAID Contribution. For the purpose of the RISE Afghanistan SPFS, Jhpiego has provided expenditure details across these as well as more detailed cost categories.

¹ The Notes to the Special Purpose Financial Statement are the responsibility of Jhpiego.

Jhpiego Corporation

Financial Audit of the Special Purpose Financial Statements for
Cooperative Agreement No. 7200AA19CA00003
Reaching Impact, Saturation, and Epidemic Control Program

For the Period of April 15, 2019, through April 14, 2024

Notes to Special Purpose Financial Statement¹ (Continued)

(6) Compensation Fringe Benefits

Fringe benefits are allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages. The fringe benefits are based on local law, established organizational policy or employer-employee agreements. The rates are reviewed on an annual basis and adjusted as needed.

(7) Outstanding Fund Balance

The Outstanding Fund Balance presented on the Statement represents the difference between revenue earned and costs incurred such that an amount greater than \$0 would reflect that on a cash basis, revenues have been earned that exceeded costs incurred or charged to this agreement and an amount less than \$0 would indicate that cost have been incurred, but have not been paid so on a cash basis not recognized as revenue.

(8) Program Status

The RISE agreement remains active following an extension through December 30, 2027, although RISE implementation in Afghanistan has fully concluded.

(9) Subsequent Events

Jhpiego Corporation has performed an analysis of the activities and transactions subsequent to the April 14, 2019, to April 14, 2024 period covered by the Statement. Management has performed their analysis through April 14, 2024 with no changes or significant subsequent events.

¹ The Notes to the Special Purpose Financial Statement are the responsibility of Jhpiego.

Jhpiego Corporation

Financial Audit of the Special Purpose Financial Statements for
Cooperative Agreement No. 7200AA19CA00003
Reaching Impact, Saturation, and Epidemic Control Program

For the Period of April 15, 2019, through April 14, 2024

Notes to Questioned Costs Presented on the Special Purpose Financial Statement²

(A) Materials and Supplies

Jhpiego reported a total of \$11,888 for Materials and Supplies for the period of April 15, 2019, to April 14, 2024.

During our audit of these costs, we noted the following:

- One (1) instance where Jhpiego provided insufficient allocation methodology, resulting in unsupported materials and supplies costs of \$819. See **Finding No. 2024-01** in the *Schedule of Findings and Questioned Costs* section of this report.
- One (1) instance where the allocation methodology was incorrectly applied, which resulted in unsupported materials and supplies costs of \$229. See **Finding No. 2024-01** in the *Schedule of Findings and Questioned Costs* section of this report.

The issues identified above resulted in total unsupported materials and supplies costs of \$1,226.

(B) Indirect Costs

Jhpiego reported a total of \$167,238 for Indirect Costs for the period of April 15, 2019, to April 14, 2024.

² The Notes to Questioned Costs presented on the Special Purpose Financial Statement were prepared by the auditor for informational purposes only and as such are not part of the audited Special Purpose Financial Statement.



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL

Board of Directors
Jhpiego Corporation
Baltimore, Maryland

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

We have audited, the Special Purpose Financial Statement (Statement) and related notes to the Statement, 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, by Jhpiego Corporation (Jhpiego) under Cooperative Agreement No. 7200AA19CA00003 (Cooperative Agreement) in support of the Reaching Impact, Saturation, and Epidemic Control Program for the period of April 15, 2019, to April 14, 2024. We have issued our report thereon dated March 11, 2025 with an unmodified opinion.

Internal Control over Financial Reporting

In planning and performing our audit of the Special Purpose Financial Statement for the period of April 15, 2019, to April 14, 2024, we considered Jhpiego Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Special Purpose Financial Statement, but not for the purpose of expressing an opinion on the effectiveness of Jhpiego's internal control. Accordingly, we do not express an opinion on the effectiveness of Jhpiego's 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 have not been identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We identified one significant deficiency in internal control as described in the accompanying *Schedule of Findings and Questioned Costs*. Finding 2024-01 is considered to be a significant deficiency.

Jhpiego Corporation's Response to Findings

Jhpiego Corporation's response to the findings identified in our audit is included verbatim at the *Appendix A*. Jhpiego Corporation's response was 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 internal control, and the result of that testing, and not to provide an opinion on the effectiveness of Jhpiego Corporation'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 Jhpiego Corporation, the United States Agency for International Development, and the Special Inspector General for Afghanistan Reconstruction (SIGAR) and is not intended to be and should not be used by anyone other than these specified parties. The 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. However, subject to applicable laws, this report may be released to Congress and to the public by SIGAR in order to provide information about programs and operations funded with amounts appropriated or otherwise made available for the reconstruction of Afghanistan.



Lake Forest, California
March 11, 2025

(Continued)



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE

Board of Directors
Jhpiego Corporation
Baltimore, Maryland

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

We have audited, the Special Purpose Financial Statement (Statement) and related notes to the Statement, 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, by Jhpiego Corporation (Jhpiego) under Cooperative Agreement No. 7200AA19CA00003 (Cooperative Agreement) in support of the Reaching Impact, Saturation, and Epidemic Control Program, for the period of April 15, 2019, to April 14, 2024. We have issued our report thereon dated March 11, 2025 with an unmodified opinion.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jhpiego Corporation's Special Purpose Financial Statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and the aforementioned Cooperative Agreement, 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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying *Schedule of Findings and Questioned Costs* as Finding 2024-01.

Jhpiego Corporation's Response to Findings

Jhpiego Corporation's response to the findings identified in our audit is included verbatim at the *Appendix A*. Jhpiego Corporation's response was 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 Jhpiego Corporation, the United States Agency for International Development, and the Special Inspector General for Afghanistan Reconstruction (SIGAR) and is not intended to be and should not be used by anyone other than these specified parties. The 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. However, subject to applicable laws, this report may be released to Congress and to the public by SIGAR in order to provide information about programs and operations funded with amounts appropriated or otherwise made available for the reconstruction of Afghanistan.

Conrad LLP

Lake Forest, California
March 11, 2025

(Continued)

Jhpiego Corporation

Financial Audit of the Special Purpose Financial Statements for
Cooperative Agreement No. 7200AA19CA00003
Reaching Impact, Saturation, and Epidemic Control Program

For the Period of April 15, 2019, through April 14, 2024

Schedule of Findings and Questioned Costs

Finding 2024-01: Missing documentation to support the costs charged to the Program

Nature of Finding: Non-Compliance and Internal Control – Significant Deficiency

Condition: Conrad tested eight (8) transactions out of 32 transactions in the materials and supplies cost category, representing \$10,877 out of a total of \$11,888 for these transactions.

Based on our testing, we noted one (1) instance where Jhpiego did not provide an allocation methodology to support the quantity of disposal COVID protective clothing items and N95 masks that were allocated to the Program. Jhpiego provided a table outlining that 64 disposal COVID protective clothing items and 75 N95 masks were to be allocated to the RISE program. However, the table did not include further evidence supporting the allocation methodology on how the number of aforementioned disposals were allocated to the RISE program. This resulted in questioned costs of \$958.

We also noted one (1) instance where Jhpiego did not provide an allocation methodology to support the utility costs that were allocated to the Program. During the audit, Jhpiego stated there was an error calculating the allocation to the Program and reversed the costs in January 2025. This resulted in questioned costs of \$268.

The issues above resulted in total unsupported costs of \$1,226.

Criteria:

Jhpiego's Policy Manual, states in part:

*"Policy 806: Document Storage & Retention
All Jhpiego's documents will be stored electronically for a period of 7 years after the end of program..."*

Jhpiego's QuickBooks Enterprise Version 2022, states in part:

*"Office Allocation:
Costs that cannot be directly attributed to the projects are charged to "Office Cost"... Office Costs are allocated across programs using the formula that has been adopted by Jhpiego... Allocation method is based on ratio of expenses incurred by each project to total project expenses, same percentage of office costs would be charged back to the project..."*

2 CFR 200.400(d), Policy Guide, states in part:

"The application of these cost principles should require no significant changes in the internal accounting policies and practices of the non-Federal entity. However, the accounting practices of the non-Federal entity must be consistent with these cost principles and support the accumulation of costs as required by the principles and must provide for adequate documentation to support costs charged to the Federal award."

Jhpiego Corporation

Financial Audit of the Special Purpose Financial Statements for
Cooperative Agreement No. 7200AA19CA00003
Reaching Impact, Saturation, and Epidemic Control Program

For the Period of April 15, 2019, through April 14, 2024

Schedule of Findings and Questioned Costs (Continued)

2 CFR 200.403, Factors affecting allowability of costs, states in part:

“Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:...

(g) Be adequately documented...”

2 CFR 200.405, Allocable costs, states in part:

“(a) A cost is allocable to a particular Federal award or other cost objective if the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with relative benefits received.

(d) Direct cost allocation principles. If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost should be allocated to the projects based on the proportional benefit. If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, then, notwithstanding paragraph (c) of this section, the costs may be allocated or transferred to benefitted projects on any reasonable documented basis...”

Cause: For the purchase of COVID protective supplies, Jhpiego did not maintain adequate documentation to support the allocation of costs to the RISE Program. For the utility costs, Jhpiego stated there was an error calculating the allocation to the RISE Program due to management oversight.

Effect: Jhpiego’s lack of adherence to their policies and procedures, and Federal regulation requirements resulted in the U.S. government overpaying for materials and supplies under the RISE Program.

Questioned Costs:

[REDACTED] Jhpiego provided documentation of cost reversal for the issue related to the allocation of utility costs in the amount of \$268; as such only \$958 will be questioned.

Recommendation:

- 1) We recommend that Jhpiego provide additional evidence to demonstrate that the costs in question were allowable costs to the RISE Program or return \$958 to USAID.
- 2) We recommend that Jhpiego develop and implement procedures to ensure that supporting documentation for allocation methodology is adequately documented and maintained.
- 3) We recommend that Jhpiego update their policies and procedures to ensure that management is properly determining that all costs allocated to the Program are correct.

(Continued)

Jhpiego Corporation

Financial Audit of the Special Purpose Financial Statements for Cooperative Agreement No. 7200AA19CA00003 Reaching Impact, Saturation, and Epidemic Control Program

For the Period of April 15, 2019, through April 14, 2024

Status of Prior Audit Findings

We requested prior audit reports, evaluations, and reviews from Jhpiego, SIGAR, and USAID pertaining to the agreement activities under this audit. We identified one (1) prior audit report which contained four (4) findings and associated recommendations that could have a material effect on the SPFS or other financial data significant to the audit objectives. We conducted follow-up procedures, including discussion with Jhpiego's management, and performed testing of similar activities during our audit. We have summarized the results of our procedures below:

1. **Report: SIGAR Financial Audit 25-11, Financial Audit of Costs Incurred under Cooperative Agreement No. 72030620CA00007 Awarded by the United States Agency for International Development's Mission in Afghanistan, in Support of the Urban Health Initiative Program for the Period of October 14, 2020 through October 31, 2021**

Finding 2022-01: Incorrect salary allocation due to payroll calculation errors - Jhpiego overcharged Cooperating Country National (CCN) and Third Country National (TCN) Personnel and Fringe Benefits costs to the UHI Program by charging an amount that exceeded the actual cost incurred for the Program that resulted in a total of \$6,889 total questioned costs.

Status: For the current engagement, Conrad reviewed personnel samples and this issue was not repeated. As such, Conrad concluded that Jhpiego has taken adequate corrective action on this finding.

Finding 2022-02: Ineligible costs were charged to the Program - Due to insufficient management oversight in place, the Country Director and management did not properly perform its primary responsibility to ensure only allowable costs were charged to the Program, resulting in \$2,569 in questioned costs.

Status: For the current engagement, Conrad reviewed Jhpiego's general ledger and tested transactions to test allowability, this issue was not repeated. As such, Conrad concluded that Jhpiego has taken adequate corrective action on this finding.

Finding 2022-03: Allocation methodology was not used to allocate shared costs among all programs in Afghanistan - Jhpiego did not follow their policy for charging direct costs and as such did not allocate shared costs among programs running simultaneously. Jhpiego did not follow their policy for allocating shared costs on a monthly basis. This resulted in questioned costs of \$1,427.

Status: For the current Engagement, Conrad reviewed materials and supplies samples and noted one instance where there was insufficient allocation methodology and one instance where the allocation methodology was incorrectly applied. This issue is described in **Finding 2024-01**. Conrad concluded that adequate corrective action was not taken with respect to this matter.

Jhpiego Corporation

Financial Audit of the Special Purpose Financial Statements for
Cooperative Agreement No. 7200AA19CA00003
Reaching Impact, Saturation, and Epidemic Control Program

For the Period of April 15, 2019, through April 14, 2024

Status of Prior Audit Findings (Continued)

Finding 2022-04: Unsupported lodging costs were charged to the Program - Jhpiego did not require staff who stayed at a family member's home while traveling to provide a receipt or other proof that lodging costs had been paid to that family member. Jhpiego did not follow its policy requiring original receipts for lodging and has no policy guidance for how to document lodging payments when an employee on travel stays with relatives instead of in a hotel. This resulted in questioned costs of \$752.

Status: For the current engagement, Conrad reviewed travel samples and this issue was not repeated. As such, Conrad concluded that Jhpiego has taken adequate corrective action on this finding.

(Continued)

Jhpiego Corporation

Financial Audit of the Special Purpose Financial Statements for Cooperative Agreement No. 7200AA19CA00003 Reaching Impact, Saturation, and Epidemic Control Program

For the Period of April 15, 2019, through April 14, 2024

Jhpiego's Responses to Audit Findings



25 February 2025

Jhpiego Corporation Financial Audit of the Special Purpose Financial Statements for Cooperative Agreement No. 7200AA19CA00003 Reaching Impact, Saturation, and Epidemic Control Program For the Period of April 15, 2019, through April 14, 2024

Schedule of Findings and Questioned Costs

Finding 2024-01: Missing documentation to support the costs charged to the Program

Nature of Finding: Non-Compliance and Internal Control – Significant Deficiency

Condition: Conrad tested eight (8) transactions out of 32 transactions in the materials and supplies cost category, representing \$10,877 out of a total of \$11,888 for these transactions.

Based on our testing, we noted one (1) instance where Jhpiego did not provide an allocation methodology to support the quantity of disposal COVID protective clothing items and N95 masks that were allocated to the Program. Jhpiego provided a table outlining that 84 disposal COVID protective clothing items and 75 N95 masks were to be allocated to the RISE program. However, the table did not include further evidence supporting the allocation methodology on how the number of aforementioned disposals were allocated to the RISE program. This resulted in questioned costs of \$958.

We also noted one (1) instance where Jhpiego did not provide an allocation methodology to support the utility costs that were allocated to the Program. During the audit, Jhpiego stated there was an error calculating the allocation to the Program and reversed the costs in January 2025. This resulted in questioned costs of \$268.

The issues above resulted in total unsupported costs of \$1,226.

Cause: For the purchase of COVID protective supplies, Jhpiego did not maintain adequate documentation to support the allocation of costs to the RISE Program. For the utility costs, Jhpiego stated there was an error calculating the allocation to the RISE Program due to management oversight.

Effect: Jhpiego's lack of adherence to their policies and procedures, and Federal regulation requirements resulted in the U.S. government overpaying for materials and supplies under the RISE Program.

Questioned Costs: We identified \$1,048 in unsupported costs and \$178 in associated indirect costs, which resulted in \$1,226 in total questioned costs. Jhpiego provided documentation of cost reversal for the issue related to the allocation of utility costs in the amount of \$268; as such only \$958 will be questioned.

Recommendation:

1) We recommend that Jhpiego provide additional evidence to demonstrate that the costs in question were allowable costs to the RISE Program or return \$958 to USAID.

2) We recommend that Jhpiego develop and implement procedures to ensure that supporting documentation for allocation methodology is adequately documented and maintained.

Jhpiego Corporation**Financial Audit of the Special Purpose Financial Statements for
Cooperative Agreement No. 7200AA19CA00003
Reaching Impact, Saturation, and Epidemic Control Program****For the Period of April 15, 2019, through April 14, 2024****Jhpiego's Responses to Audit Findings (Continued)**



3) We recommend that Jhpiego update their policies and procedures to ensure that management is properly determining that all costs allocated to the Program are correct.

Jhpiego Response:

Jhpiego respectfully disagrees with the \$958 in questioned costs related to the allocation methodology for the purchase of 64 disposable COVID-19 protective clothing items and 75 N95 masks. The documentation provided to the auditors, including the procurement package and payment voucher, clearly outlines the specific items and quantities requested for the RISE project. These items were ordered, received, and charged to the RISE project, and are both allocable and allowable under the award.

The procurement process at Jhpiego is initiated only with an approved Procurement Request Form (PRF), which is prepared, reviewed and approved based on documented project-specific requests. The consolidated PRF in question was developed to address the needs of multiple projects, including RISE. The items and quantities requested for RISE were accurately allocated to and paid for by the RISE project, ensuring a transparent and justified distribution of costs.

We maintain all necessary supporting documentation to substantiate the items requested and purchased for each project, including RISE. The allocation of costs was directly tied to these project-specific requests, and each project received and paid for the items it required. Therefore, we believe the costs in question are fully supported and in compliance with applicable guidelines.

(Continued)

Jhpiego Corporation

Financial Audit of the Special Purpose Financial Statements for
Cooperative Agreement No. 7200AA19CA00003
Reaching Impact, Saturation, and Epidemic Control Program

For the Period of April 15, 2019, through April 14, 2024

Auditor's Rebuttal to Jhpiego's Responses to Audit Findings

Jhpiego Corporation (Jhpiego) disagreed with the questioned costs for Finding 2024-01. Auditor's rebuttal to Jhpiego's responses received related to the audit finding identified in this report are presented below:

(1) Finding 2024-01:

Jhpiego did not agree with all the issues identified for materials and supplies in **Finding No. 2024-01**. Jhpiego had one (1) instance where they did not provide an allocation methodology to support the quantity of disposal COVID protective clothing items and N95 masks that were allocated to the Program. Jhpiego stated that the documentation provided shows the quantities requested specifically for the Reaching Impact, Saturation, and Epidemic Control (RISE) program and are allocable and allowable under the award.

In one (1) other instance, Jhpiego did not provide an allocation methodology to support the utility costs that were allocated to the Program. Jhpiego had reversed the cost in January 2025, therefore the questioned cost of \$268 was removed from the total questioned costs. Jhpiego did not comment on this instance.

Auditor's Rebuttal:

Although Jhpiego had provided documentation showing allocation support for the purchase of COVID protective clothing and N95 masks to the RISE program, we did not receive support showing further evidence supporting the allocation methodology on how the specific number of items were allocated to the RISE program. There was a lack of adherence to Jhpiego's policies and procedures, and Federal regulation requirements which resulted in unsupported costs being charged.

As such, our finding and recommendations remained unchanged.

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:

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SIGAR's Mission

Public Affairs Officer

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