

SIGAR

**Special Inspector General for
Afghanistan Reconstruction**

SIGAR 25-24 Financial Audit

USAID's Afghanistan Sustaining Health Outcomes through the Private Sector Plus (SHOPS+) Program: Audit of Costs Incurred by Abt Global

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.



MAY
2025

SIGAR

Special Inspector General for Afghanistan Reconstruction

WHAT THE AUDIT REVIEWED

On September 23, 2015, the U.S. Agency for International Development (USAID) awarded a 5-year, \$149,980,050 cooperative agreement to Abt Global (Abt) to support the Sustaining Health Outcomes through the Private Sector Plus (SHOPS+) global program. Of this amount, \$13,886,000 was allocated to projects in Afghanistan. The program sought to strengthen and support the private health sector to improve health outcomes in family planning, HIV/AIDS, maternal and child health, and other health needs in developing nations. The agreement was modified 37 times. The modifications extended the period of performance to December 31, 2022.

SIGAR's financial audit, performed by Conrad LLP (Conrad), reviewed \$1,369,202 in costs charged to the agreement from January 1, 2021, through December 31, 2022. The objectives of the audit were to (1) identify and report on material weaknesses or significant deficiencies in Abt's 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 Abt has taken corrective action on prior findings and recommendations; and (4) express an opinion on the fair presentation of Abt'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.

May 2025

USAID's Afghanistan Sustaining Health Outcomes through the Private Sector Plus (SHOPS+) Program: Audit of Costs Incurred by Abt Global

SIGAR 25-24-FA

WHAT SIGAR FOUND

Conrad did not identify any material weakness or significant deficiencies in Abt's internal controls or any instances of noncompliance with the terms of the award. Accordingly, the auditors did not identify any questioned costs associated with the audit.

Conrad identified two prior audits related to the SHOPS+ SPFS. Conrad conducted follow-up procedures and determined that both audits had no findings.

Conrad issued an unmodified opinion on Abt's SPFS, noting 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, Conrad did not report any findings related to the cooperative agreement under review. Therefore, SIGAR is not making any recommendations.



SIGAR

Office of the Special Inspector General
for Afghanistan Reconstruction

May 27, 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 Abt Global (Abt) under a cooperative agreement awarded by the U.S. Agency for International Development (USAID) to support its Sustaining Health Outcomes through the Private Sector Plus (SHOPS+) program.¹ The program sought to strengthen and support the private health sector to improve health outcomes in family planning, HIV/AIDS, maternal and child health, and other health needs in developing nations. Of the \$13,886,000 that the program allocated to projects in Afghanistan, Conrad reviewed \$1,369,202 in revenues received and costs incurred by Abt from January 1, 2021, through December 31, 2022. 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.

Conrad did not report any findings related to its audit of the cooperative agreement. Therefore, SIGAR is not making any recommendations.

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 Abt'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 20, 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.

Gene Aloise
Acting Special Inspector General
for Afghanistan Reconstruction

(F-300)

¹ The cooperative agreement number is AID-OAA-A-15-00067.

Abt Global

Financial Audit of the Special Purpose Financial Statement for
Cooperative Agreement No. AID-OAA-A-15-00067
Awarded by the United States Agency for International Development
in support of the Sustaining Health Outcomes through the Private Sector Plus
(SHOPS+) Program

For the Period of January 1, 2021 through December 31, 2022

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March 20, 2025

Board of Directors
Abt Global
Rockville, Maryland

Special Inspector General for Afghanistan Reconstruction (SIGAR)
2530 Crystal Drive
Arlington, Virginia 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 Abt Global's Special Purpose Financial Statement under Cooperative Agreement No. AID-OAA-A-15-00067 awarded by the United States Agency for International Development for the period of January 1, 2021 through December 31, 2022, supporting the Sustaining Health Outcomes through the Private Sector Plus Program.

On February 4, 2025, we provided SIGAR with a draft report reflecting our audit procedures and results. Abt Global (Abt) received a copy of the report on March 12, 2025. Written and oral feedback provided by SIGAR 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, appearing to read "S Perera". The signature is fluid and cursive, with a horizontal line underneath the name.

Sam Perera, CPA, CFE, CITP, CGMA
Partner

Abt Global

Financial Audit of the Special Purpose Financial Statements for
Cooperative Agreement No. AID-OAA-A-15-00067
Awarded by the United States Agency for International Development
for the Sustaining Health Outcomes through the Private Sector Plus Program

For the Period of January 1, 2021 through December 31, 2022

Background

On September 23, 2015, the United States Agency for International Development (USAID) awarded a 5-year Cooperative Agreement No. AID-OAA-A-15-00067 to Abt Global (Abt), formerly known as Abt Associates Inc., in support of the Health Private Sector Flagship Improving Health Outcomes through the Private Sector program, later renamed Sustaining Health Outcomes through the Private Sector Plus (SHOPS+).

The SHOPS+ program's intended purpose was to strengthen and support the private health sector to effectively reach those most in need with comprehensive private health services that are affordable, accessible and high-quality to improve health outcomes in family planning, HIV/AIDS, maternal and child health, and other health needs in developing nations.

The initial award amount was \$149,980,050 and cost share amount of \$37,495,237 for the period of performance from October 1, 2015 through September 30, 2020. However, Abt confirmed there was no cost share under the Afghanistan operations. There have been thirty-seven (37) modifications to the Cooperative Agreement to modify Sections, decrease funds, extend the period of performance, and re-align agreements. The value of funds dedicated to the Afghanistan portion of the Cooperative Agreement was \$13,886,000. 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
AID-OAA-A-15-00067*	\$149,980,050	10/01/15	09/30/20	37	\$148,678,525	12/31/22

* Indicates the award is a close-out.

Abt is a for-profit organization founded in 1965 that provides research, monitoring and evaluation, communications, technical assistance, and implementation services to clients in the fields of education, food security, energy, environment, governance, and justice. Abt works in more than 50 countries and employs more than 3,000 staff worldwide.

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 Cooperative Agreement, as mentioned above,

Abt Global

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for the Sustaining Health Outcomes through the Private Sector Plus Program

For the Period of January 1, 2021 through December 31, 2022

of Abt's Special Purpose Financial Statement (SPFS) for revenue received and costs incurred under the Program in Afghanistan totaling \$1,369,202 for the period January 1, 2021 through December 31, 2022.

Objectives, Scope, and Methodology

Audit Objectives

The objectives of the audit of the aforementioned Cooperative Agreement include the following:

- *Special Purpose Financial Statement* – Express an opinion on whether Abt's SPFS for the Cooperative Agreement presents fairly, in all material respects, the revenues received, costs incurred, items directly procured by the U.S. Government, and the balance for the period audited in conformity with the terms of the Cooperative Agreement and generally accepted accounting principles or other comprehensive basis of accounting.
- *Internal Controls* – Evaluate and obtain sufficient understanding of Abt's internal controls related to the Cooperative Agreement, assess control risk, and identify and report on significant deficiencies including material internal control weaknesses.
- *Compliance* – Perform tests to determine whether Abt complied, in all material respects, with the Cooperative Agreement requirements and applicable laws and regulations; and identify and report on instances of material noncompliance with terms of the Cooperative 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 Abt has taken adequate corrective action to address findings and recommendations from previous engagements that could have a material effect on the SPFS or other financial data significant to the audit objectives.

Scope

The scope of this audit included all revenue received and costs incurred in Afghanistan during the period of January 1, 2021 through December 31, 2022, totaling \$1,369,202 under the Cooperative Agreement. Our testing of the indirect cost charged to the Cooperative Agreement was limited to determining that the indirect cost was calculated using the correct revised negotiated indirect cost rates or provisional indirect cost rates, as applicable for the given fiscal year, as approved in the Negotiated Indirect Cost Rate Agreement (NICRA) and subsequent applicable amendments.

Audit Methodology

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

(Continued)

Abt Global

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For the Period of January 1, 2021 through December 31, 2022

Entrance Conference

An entrance conference was held on July 3, 2024, with representatives of Abt, 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 Abt. The scope of our audit includes Abt's management and employees, internal and external factors that affected operations, accounting policies and procedures. We gained an understanding of Abt 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 Cooperative 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 Cooperative 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 Cooperative Agreement, and the applicable general ledgers;
- Documented procedures associated with controlling funds, including bank accounts and bank reconciliations;
- Traced receipt of funds to the accounting records;

(Continued)

Abt Global

Financial Audit of the Special Purpose Financial Statements for
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Awarded by the United States Agency for International Development
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For the Period of January 1, 2021 through December 31, 2022

- Sampled and tested the costs incurred to ensure the costs were allowable, reasonable, and allocable to the Cooperative 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 Abt's internal controls related to the Cooperative Agreement to gain an understanding of the implemented system of internal control to obtain reasonable assurance of Abt'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 Abt complied, in all material respects, with the Cooperative 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 terms of the Cooperative 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 Abt and reviewed these reports to determine if there were any findings and recommendations that could have a material effect on Abt'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 Abt'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 17.

Exit Conference

An exit conference was held on January 27, 2025, via conference call. Participants included representatives from Conrad, Abt, SIGAR, and USAID. During the exit conference, we discussed the preliminary results of the audit and reporting process.

Summary of Results

We have summarized the audit results below.

(Continued)

Abt Global

Financial Audit of the Special Purpose Financial Statements for
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for the Sustaining Health Outcomes through the Private Sector Plus Program

For the Period of January 1, 2021 through December 31, 2022

Auditor's Opinion on the SPFS

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

We did not identify any unsupported or ineligible costs. Ineligible costs are explicitly questioned because they are unreasonable, prohibited by the Cooperative Agreement's provisions or applicable laws and regulations, or not related to the Cooperative Agreement. 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 Abt'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

The results of our testing did not identify any internal control findings. See *Independent Auditor's Report on Internal Control* on page 13.

Compliance

The results of our testing did not identify any instances of noncompliance. See *Independent Auditor's Report on Compliance* on page 15.

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*. Abt did not disclose any allegations 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.

Review of Prior Findings and Recommendations

We requested copies of prior audit reports and engagements from Abt, SIGAR, and USAID pertinent to Abt's activities under the Cooperative Agreement. We identified two (2) prior audit reports that could have a material effect on the SPFS or other financial data significant to the audit objectives. However, we determined that the reports did not have any findings.

(Continued)



INDEPENDENT AUDITOR'S REPORT ON THE SPECIAL PURPOSE FINANCIAL STATEMENT

Board of Directors
Abt Global
Rockville, 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 Abt Global (Abt) and the related notes to the Special Purpose Financial Statement (SPFS), with respect to the Cooperative Agreement No. AID-OAA-A-15-00067 awarded by the United States Agency for International Development (USAID) to support the Sustaining Health Outcomes through the Private Sector Plus (SHOPS+) program, for the period of January 1, 2021 through December 31, 2022.

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 January 1, 2021 through December 31, 2022, 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 Abt, 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 Abt 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 Abt'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 20, 2025 on our consideration of Abt'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 Abt's internal control over financial reporting and compliance.

Restriction on Use

This report is intended for the information of Abt, the United States Agency for International Development's Mission to Afghanistan, 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.

Conrad LLP

Lake Forest, California
March 20, 2025

Abt Global

Financial Audit of the Special Purpose Financial Statements for
 Cooperative Agreement No. AID-OAA-A-15-00067
 Awarded by the United States Agency for International Development
 for the Sustaining Health Outcomes through the Private Sector Plus Program

For the Period of January 1, 2021 through December 31, 2022

Special Purpose Financial Statement

	<u>Budget</u>	<u>Actual</u>	<u>Ineligible</u>	<u>Unsupported</u>	<u>Total</u>	<u>Notes</u>
Revenues:						
Cooperative Agreement No. AID-OAA-A-15-00067						(5)
Government Revenue	\$13,886,000	\$ 1,369,202	\$ -	\$ -	\$ -	
Total revenues	<u>13,886,000</u>	<u>\$ 1,369,202</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Costs incurred and Fixed Fee:						
Personnel	-		-	-	-	
Fringe Benefits	-		-	-	-	
Travel	-		-	-	-	
Equipment	-		-	-	-	
Contractual	-		-	-	-	
Other	-		-	-	-	
Indirect Costs	-		-	-	-	
Total Costs incurred	<u>\$ 1,369,202</u>	<u>\$ 1,369,202</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Outstanding fund balance		<u>\$ -</u>				

¹Abt reversed a travel cost that was originally recorded with the intention that the travel will take place in Afghanistan. However, the travel was re-allocated to a different country, and Abt reversed more than the cost originally recorded, resulting in negative balance on this cost category.

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

Abt Global

Financial Audit of the Special Purpose Financial Statements for
Cooperative Agreement No. AID-OAA-A-15-00067
Awarded by the United States Agency for International Development
for the Sustaining Health Outcomes through the Private Sector Plus Program

For the Period of January 1, 2021 through December 31, 2022

Notes to Special Purpose Financial Statement¹

(1) Background

The U.S. Agency for International Development (USAID) awarded global Cooperative Agreement No. AID-OAA-A-15-00067 (Cooperative Agreement) to Abt Global LLC (Abt) On September 23, 2015, to implement the Health Private Sector flagship (HPSF) Improving Health Outcomes through the Private Sector Program. The name of this program was changed in Modification 2 to Sustaining Health Outcomes through the Private Sector Plus (SHOPS Plus). The Cooperative Agreement was awarded with the total estimated ceiling of \$149,980,950. Incremental funding for the core and country specific programs were awarded through the global Cooperative Agreement. The Cooperative Agreement was modified thirty-seven times. Modification No. 37 was a no-cost extension from September 30, 2022 – December 31, 2022.

SHOPS Plus was the United States Agency for International Development's (USAID) flagship initiative in private sector health. The Abt-led global program worked in more than thirty countries to increase access to priority health information, products, and services through the private sector. From 2015 to 2022, the program reached an annual average of almost forty million people with health messages, generated three million couple years of protection, and facilitated the treatment of over 4.2 million cases of childhood diarrhea with zinc and oral rehydration solutions.

SHOPS Plus worked in Afghanistan from January 2016 – December 2022 and provided financial and technical support to one of their major subcontractors with the aim of strengthening SHOPS Plus program's impact and sustainability by promoting family planning, diarrhea prevention and management, and nutrition by distributing associated products at an affordable price nationally and by motivating Afghans to use these products through social and behavior change activities.

(2) Basis of Presentation

The accompanying Special Purpose Financial Statement (Statement) includes costs incurred under the Afghanistan country program of the SHOPS Plus Cooperative Agreement for the period of January 1, 2021, through December 31, 2022. Costs incurred in the "Actual" column are equal to the revenue received for the audit period as costs are reimbursed. The information is presented in accordance with the requirements specified by SIGAR.

The "Variance" column is not completed since Abt was not required by USAID to track actual incurred costs by line item against budgeted costs at the country program level. Because the SHOPS Plus Afghanistan-specific Statement presents only a selected portion of the operations of Abt, it is not intended to and does not present the financial position, changes in net equity, or cash flows of Abt.

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

Abt Global

Financial Audit of the Special Purpose Financial Statements for
Cooperative Agreement No. AID-OAA-A-15-00067
Awarded by the United States Agency for International Development
for the Sustaining Health Outcomes through the Private Sector Plus Program

For the Period of January 1, 2021 through December 31, 2022

Notes to Special Purpose Financial Statement¹ (Continued)

(3) Basis of Accounting

The accompanying Statement is prepared on a modified cash basis of accounting. As such, expenditures are recognized following the cost principles wherein certain types of expenditures are not allowable or are limited as to reimbursement. Labor charges are recorded based on the hours charged by employees as reported in Abt's time and labor system. Indirect costs, including payroll taxes, vacation, sick time, benefits, overhead and general and administrative costs are charged to the project in accordance with Abt's negotiated indirect cost rate agreement with Abt's cognizant Federal agency and disclosed cost accounting practices. Other direct costs, including sub-awards, are recorded in the period paid. The preparation of financial statements in conformity with the modified cash basis requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(4) Currency

All amounts presented in the Statement are shown in U.S. dollars, the reporting currency of Abt. For site labor costs, at the beginning of each month, the foreign exchange rates using the interbank average ask rate are obtained and used to cost labor transactions for the following month. For each foreign currency, variances between the forward rate used to cost labor transactions and the weighted average rate used to translate payments are identified in the international payroll reconciliations each month and recorded to the site overhead pool as a foreign currency gain or loss. For non-labor transactions, when a site office makes disbursements in other than U.S. dollars, the transactions are converted to U.S. dollars using a weighted average foreign exchange rate.

(5) Revenue

SHOPS Plus was a global Cooperative Agreement and revenue draw-down was performed at the global level. Revenues were not captured at the country program level. Consequently, revenues on the Statement represent the cumulative obligation for the SHOPS Plus Afghanistan country program.

(6) Negotiated Indirect Cost Rates

The indirect cost rates applied to the SHOPS Plus gram and included in the Schedule are the negotiated provisional indirect cost rates for fringe benefits, overhead, handling, and general and administrative costs approved by Abt's cognizant Federal agency, USAID.

(7) Cost Share

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

Abt Global

Financial Audit of the Special Purpose Financial Statements for
Cooperative Agreement No. AID-OAA-A-15-00067
Awarded by the United States Agency for International Development
for the Sustaining Health Outcomes through the Private Sector Plus Program

For the Period of January 1, 2021 through December 31, 2022

Notes to Special Purpose Financial Statement¹ (Continued)

The Cost Share section of the Statement has not been completed since the Cooperative Agreement had a global cost-sharing requirement. USAID did not require reporting of cost share at the country level.

(8) Program Status

The SHOPS Plus global Cooperative Agreement and the Afghanistan country program are now completed.

(9) Subsequent Events

Abt has performed an analysis of events subsequent to December 31, 2022, the period covered by the Statement. Management has performed their analysis through March 20, 2025. There were no subsequent events identified that require recognition or disclosure in this Statement, and no adjustments are warranted to the amounts presented.

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



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL

Board of Directors
Abt Global
Rockville, 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 (SPFS) 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 Abt Global (Abt) under Cooperative Agreement No. AID-OAA-A-15-00067 in support of the Sustaining Health Outcomes through the Private Sector Plus (SHOPS+) program, for the period of January 1, 2021 through December 31, 2022. We have issued our report thereon dated March 20, 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 January 1, 2021 through December 31, 2022, we considered Abt'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 Abt's internal control. Accordingly, we do not express an opinion on the effectiveness of Abt'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.

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 Abt'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 Abt, the United States Agency for International Development's Mission to Afghanistan, 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 20, 2025

(Continued)



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE

Board of Directors
Abt Global
Rockville, 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 (SPFS) 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 Abt Global (Abt) under Cooperative Agreement No. AID-OAA-A-15-00067 in support of the Sustaining Health Outcomes through the Private Sector Plus (SHOPS+) program, for the period of January 1, 2021 through December 31, 2022. We have issued our report thereon dated March 20, 2025 with an unmodified opinion.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Abt'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 Abt, the United States Agency for International Development's Mission to Afghanistan, 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 20, 2025

Abt Global

Financial Audit of the Special Purpose Financial Statements for
Cooperative Agreement No. AID-OAA-A-15-00067
Awarded by the United States Agency for International Development
for the Sustaining Health Outcomes through the Private Sector Plus Program

For the Period of January 1, 2021 through December 31, 2022

Status of Prior Audit Findings

We requested prior audit reports, evaluations, and reviews from Abt, SIGAR, and USAID pertaining to Cooperative Agreement activities under this audit. We identified two (2) prior audit reports that could have a material effect on the SPFS or other financial data significant to the audit objectives. However, we determined that the reports did not have any findings.

(Continued)

SIGAR's Mission

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

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

Obtaining Copies of SIGAR Reports and Testimonies

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

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

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

- Web: www.sigar.mil/fraud
- Email: 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

- Phone: 703-545-5974
- Email: sigar.pentagon.ccr.mbx.public-affairs@mail.mil
- Mail: SIGAR Public Affairs
2530 Crystal Drive
Arlington, VA 22202