

SIGAR

**Special Inspector General for
Afghanistan Reconstruction**

SIGAR 25-26 Financial Audit

USAID's Information Management for Disaster Risk Reduction and Response in Afghanistan: Audit of Costs Incurred by iMMAP Inc.

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.



JULY
2025

SIGAR

Special Inspector General for Afghanistan Reconstruction

WHAT THE AUDIT REVIEWED

On February 4, 2022, the U.S. Agency for International Development's (USAID) Bureau for Humanitarian Assistance awarded a \$4,756,243 grant to iMMAP Inc. (iMMAP) to support the Information Management for Disaster Risk Reduction and Response in Afghanistan (IM-D3R) program. The program sought to improve the impact of humanitarian aid initiatives in Afghanistan. The period of performance was from March 1, 2022, through December 31, 2023. USAID modified the grant twice, extending the period of performance through June 30, 2025, and increasing the total award amount to \$9,756,243. On April 5, 2025, USAID terminated all Bureau for Humanitarian Assistance awards, including the IM-D3R program.

SIGAR's financial audit, performed by Conrad LLP (Conrad), reviewed \$2,205,319 in grant revenues received and \$2,236,881 in costs charged to the grant for the period of January 1, 2023, to December 31, 2023. The objectives of the audit were to (1) identify and report on material weaknesses or significant deficiencies in iMMAP's internal controls related to the grant; (2) identify and report on instances of material noncompliance with the grant's terms and applicable laws and regulations, including any potential fraud or abuse; (3) determine and report on whether iMMAP has taken corrective action on prior findings and recommendations; and (4) express an opinion on the fair presentation of iMMAP'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.

July 2025

USAID's Information Management for Disaster Risk Reduction and Response in Afghanistan: Costs Incurred by iMMAP Inc.

SIGAR 25-26-FA

WHAT SIGAR FOUND

Conrad identified seven significant deficiencies in iMMAP's internal controls and seven instances of noncompliance with the terms of the grant. For example, Conrad found that iMMAP used program funds to pay for upgrades made to leased properties and improvements to employees' homes without receiving approval from USAID. During the testing of consultants' costs, the auditors found an employee did not meet the requirements stated in the employee's job description. In addition, Conrad identified seventeen instances where consultants were paid bonuses for which iMMAP had no supporting policy or employee agreement clause. iMMAP was notified of the internal control deficiencies and compliance issues prior to the publication of this report.

Because of the deficiencies in internal controls and instances of noncompliance, Conrad identified \$64,341 in total questioned costs. The questioned cost consisted of \$64,012 in unsupported costs—costs not supported with adequate documentation or that do not have required prior approval—and \$329 of ineligible costs—costs prohibited by the grant or applicable regulations.

Category	Ineligible	Unsupported	Total Questioned Costs
Direct Costs	\$279	\$54,247	\$54,526
Indirect Costs	\$50	\$9,765	\$9,815
Total Costs	\$329	\$64,012	\$64,341

Conrad identified three prior audit reports that contained eight findings and accompanying recommendations that could have a material effect on the SPFS or other financial data significant to the audit objectives. Conrad conducted follow up procedures and determined that iMMAP took adequate corrective action on six of the eight prior findings. However, because Conrad found repeated issues with insufficient documentation for payroll costs charged to the program and property rental commission payments, Conrad could not conclude that iMMAP had taken adequate corrective action on two of the prior findings.

Conrad issued an unmodified opinion on iMMAP'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, SIGAR recommends the responsible agreement officer at USAID:

1. Determine the allowability of and recover, as appropriate, \$64,341 in questioned costs identified in the report.
2. Advise iMMAP to address the report's seven internal control findings.
3. Advise iMMAP to address the report's seven noncompliance findings.



SIGAR

Office of the Special Inspector General
for Afghanistan Reconstruction

July 1, 2025

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

We contracted with Conrad LLP (Conrad) to audit costs incurred by iMMAP Inc. under a grant from the U.S. Agency for International Development (USAID) to support the Information Management for Disaster Risk Reduction and Response in Afghanistan (IM-DR3) program.¹ The program sought to improve the impact of humanitarian aid initiatives in Afghanistan. Conrad reviewed \$2,205,319 in grant revenue received and \$2,236,881 of incurred costs charged to the grant, from January 1, 2023, to December 31, 2023. 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 responsible agreement officer at USAID:

- 1. Determine the allowability of and recover, as appropriate, \$64,341 in questioned costs identified in the report.**
- 2. Advise iMMAP to address the report's seven internal control findings.**
- 3. Advise iMMAP to address the report's seven noncompliance findings.**

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 iMMAP's Special Purpose Financial Statement, 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 May 14, 2025, and the conclusions expressed therein. However, our review disclosed no instances where 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-305)

¹ The grant number is 720BHA22GR00059

iMMAP Inc.

Grant Agreement No. 720BHA22GR00059

Awarded by the United States Agency for International Development's Bureau for
Humanitarian Assistance in support of the Information Management for Disaster Risk
Reduction and Response in Afghanistan

For the Period of January 1, 2023, through December 31, 2023

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May 14, 2025

Board of Directors
iMMAP Inc.
Washington, DC

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 iMMAP Inc.'s Special Purpose Financial Statement under Grant Agreement No. 720BHA22GR00059 awarded by the United States Agency for International Development's Bureau for Humanitarian Assistance for the period of January 1, 2023, through December 31, 2023, supporting the Information Management for Disaster Risk Reduction and Response in Afghanistan (IM-D3R) program (the Program).

On May 14, 2025, we provided SIGAR with a draft report reflecting our audit procedures and results. iMMAP Inc. (iMMAP) received a copy of the report on May 14, 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 iMMAP'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 Grant 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

IMMAP Inc.

Financial Audit of the Special Purpose Financial Statements for Grant Agreement No. 720BHA22GR00059 Information Management for Disaster Risk Reduction and Response in Afghanistan

For the Period of January 1, 2023, through December 31, 2023

Background

On February 4, 2022, the United States Agency for International Development's Bureau for Humanitarian Assistance (USAID/BHA) awarded Grant Agreement No. 720BHA22GR00059 to iMMAP Inc. (iMMAP) to support the Information Management for Disaster Risk Reduction and Response in Afghanistan (IM-D3R) program (the Program).

The purpose of the Program was to improve the impact of humanitarian response in Afghanistan by increasing access to and utilization of high-quality information management products and interactive tools to inform evidence-based decision making. Under the Grant Agreement, iMMAP's objectives included:

- Improving the impact of the humanitarian response in Afghanistan by providing information management products, mapping support, and monitoring and assessment services to key partners.
- Improving the impact of humanitarian response in Afghanistan by assisting the humanitarian community to prepare for, respond to, and mitigate the impacts of natural hazards.

The Program covered two main sectors: Humanitarian Coordination, Information Management, and Assessments (HCIMA), which included Coordination and Information Management sub-sectors; and Natural Hazards and Technological Risk (NHTR), which consisted of Geological Hazards and Hydrometeorological Hazards sub-sectors.

iMMAP Inc. is an international nonprofit organization that provides information management services to humanitarian and development organizations, enabling partners to make informed decisions that ultimately provide high-quality targeted assistance to the world's most vulnerable populations. iMMAP supports humanitarian actors to solve operational and strategic challenges. Its pioneering approach facilitates informed and effective emergency preparedness, humanitarian response, and development aid activities by enabling evidence-based decision-making for public international organizations, humanitarian cluster/sector leads, non-governmental organizations, and government operations.

The initial award amount was \$4,756,243 for the period of performance from March 1, 2022, through December 31, 2023. There have been two (2) modifications to the Grant Agreement which extended the completion date of the Grant Agreement from December 31, 2023, to June 30, 2025, and increased the total award amount to \$9,756,243. See the *Summary of Grant Agreement* below.

iMMAP Inc.

Financial Audit of the Special Purpose Financial Statements for Grant Agreement No. 720BHA22GR00059 Information Management for Disaster Risk Reduction and Response in Afghanistan

For the Period of January 1, 2023 through December 31, 2023

Summary of Grant Agreement

Grant 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
720BHA22GR00059	\$4,756,243	03/01/22	12/31/23	2	\$9,756,243	06/30/25

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 Grant, as mentioned above, of iMMAP's Special Purpose Financial Statement (SPFS) for revenue received and costs incurred under the Program totaling \$2,236,881 with a negative fund balance of \$31,562 for the period of performance from January 1, 2023, through December 31, 2023.

Objectives, Scope, and Methodology

Audit Objectives

The objectives of the audit of the Grant Agreement include the following:

- *Special Purpose Financial Statement* – Express an opinion on whether iMMAP's SPFS for the Grant 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 Award and generally accepted accounting principles or other comprehensive basis of accounting.
- *Internal Controls* – Evaluate and obtain sufficient understanding of iMMAP's internal controls related to the Grant Agreement, assess control risk, and identify and report on significant deficiencies including material internal control weaknesses.
- *Compliance* – Perform tests to determine whether iMMAP complied, in all material respects, with the Grant Agreement requirements and applicable laws and regulations; and identify and report on instances of material noncompliance with terms of the Grant 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 iMMAP has taken adequate corrective action to address findings and recommendations from

(Continued)

iMAP Inc.

Financial Audit of the Special Purpose Financial Statements for Grant Agreement No. 720BHA22GR00059 Information Management for Disaster Risk Reduction and Response in Afghanistan

For the Period of January 1, 2023 through December 31, 2023

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 costs incurred during the period of January 1, 2023, through December 31, 2023, totaling \$2,236,881, under the Grant Agreement. Our testing of the indirect cost charged to the Grant 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

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 2, 2024, with representatives of iMAP, Conrad, SIGAR, and USAID/BHA 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 iMAP. The scope of our audit includes iMAP's management and employees, internal and external factors that affected operations, accounting policies and procedures. We gained an understanding of iMAP 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:
 - Grant 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 Grant Agreements to Non-Government Organizations;
 - Audited financial statements; and
 - Previous SIGAR and USAID financial audit reports.

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iMMAP Inc.

Financial Audit of the Special Purpose Financial Statements for Grant Agreement No. 720BHA22GR00059 Information Management for Disaster Risk Reduction and Response in Afghanistan

For the Period of January 1, 2023 through December 31, 2023

- 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 Grant 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;
- Sampled and tested the costs incurred to ensure the costs were allowable, reasonable, and allocable to the Grant 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 Grant

We reviewed iMMAP's internal controls related to the Grant Agreement to gain an understanding of the implemented system of internal control to obtain reasonable assurance of iMMAP'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 Grant Requirements and Applicable Laws and Regulations

We performed tests to determine whether iMMAP complied, in all material respects, with the Grant requirements, 2 CFR 200, 2 CFR 700, ADS 303, and any other applicable laws and regulations. We also identified and reported on any observations of material noncompliance with terms of the Grant 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 iMMAP and reviewed these reports to determine if there were any findings and recommendations that could have a material effect on iMMAP's SPFS. In addition, we also conducted a search online of various governmental websites including SIGAR (www.sigar.mil), USAID

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iMMAP Inc.

Financial Audit of the Special Purpose Financial Statements for Grant Agreement No. 720BHA22GR00059 Information Management for Disaster Risk Reduction and Response in Afghanistan

For the Period of January 1, 2023 through December 31, 2023

(www.usaid.gov), and other applicable Federal agencies, to identify previous engagements that could have a material effect on iMMAP'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 42.

Exit Conference

An exit conference was held on January 21, 2025, via conference call. Participants included representatives from Conrad, iMMAP, SIGAR, and USAID/BHA. During the exit conference, we discussed the preliminary results of the audit and reporting process.

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 \$64,341 in total questioned costs, which comprised \$329 in ineligible costs and \$64,012 in unsupported costs. Ineligible costs are explicitly questioned because they are unreasonable, prohibited by the Grant Agreement's provisions or applicable laws and regulations, or not related to the Grant 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 iMMAP'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 seven (7) internal control findings considered to be significant deficiencies. See *Independent Auditor's Report on Internal Control* on page 19.

Compliance

The results of our testing identified seven (7) instances of noncompliance. See the *Independent Auditor's Report on Compliance* on page 21.

(Continued)

iMMAP Inc.

Financial Audit of the Special Purpose Financial Statements for
Grant Agreement No. 720BHA22GR00059
Information Management for Disaster Risk Reduction and Response in Afghanistan

For the Period of January 1, 2023 through December 31, 2023

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*. iMMAP self-disclosed that there were no known or reported instances of alleged fraud that could have a potential impact on the Program and the SPFS.

Finding Number	Nature of Finding	Matter	Ineligible Costs	Unsupported Costs	Cumulative Questioned Cost
2025-01	Non-compliance and Internal Control – Significant Deficiency	Employee qualifications did not meet job requirements	\$ -	\$ 21,732	\$ 21,732
2025-02	Non-compliance and Internal Control – Significant Deficiency	Non-compliance with travel policy	283	15,744	37,759
2025-03	Non-compliance and Internal Control – Significant Deficiency	Insufficient support for costs charged to the program	-	10,894	48,653
2025-04	Non-compliance and Internal Control – Significant Deficiency	Payments to vendors were not adequately documented	-	8,057	56,710

(Continued)

iMMAP Inc.

Financial Audit of the Special Purpose Financial Statements for
Grant Agreement No. 720BHA22GR00059
Information Management for Disaster Risk Reduction and Response in Afghanistan

For the Period of January 1, 2023 through December 31, 2023

2025-05	Non-compliance and Internal Control – Significant Deficiency	Costs incurred without funding agency approval	-	6,405	63,115
2025-06	Non-compliance and Internal Control – Significant Deficiency	Insufficient support for costs charged to the program	-	1,180	64,295
2025-07	Non-compliance and Internal Control – Significant Deficiency	Overcharges to the program	46	-	64,341
Total Questioned Costs			\$ 329	\$ 64,012	\$ 64,341

Review of Prior Findings and Recommendations

We requested copies of prior audit reports and engagements from iMMAP, SIGAR, and USAID pertinent to iMMAP's activities under the Grant Agreement. We identified three prior audit reports that contained eight 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 iMMAP took adequate corrective actions on six out of the eight prior audit findings and associated recommendations. However, two findings were repeated as the corrective actions identified in the prior audit did not occur until after the current audit period, as such we conclude iMMAP did not take corrective actions on two out of the eight prior findings. See *Status of Prior Audit Findings* on page 42 for a detailed description of the prior findings and recommendations.

Summary of iMMAP's Responses to Findings

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

(Continued)

iMMAP Inc.

Financial Audit of the Special Purpose Financial Statements for
Grant Agreement No. 720BHA22GR00059
Information Management for Disaster Risk Reduction and Response in Afghanistan

For the Period of January 1, 2023 through December 31, 2023

- (1) **Finding 2025-01:** iMMAP did not agree with the finding as it believed the charges were valid and stated that the employee in question performed at the highest standards required by the position. iMMAP concurred with the audit recommendation to update controls surrounding its hiring policy and asserted that corrective action steps were completed.
- (2) **Finding 2025-02:** iMMAP did not agree with the finding as it believed the travel charges were authorized appropriately and were documented in accordance with requirements. iMMAP stated that the questioned costs associated with per diem charges were difficult to understand, and that it will further review its internal controls to ensure compliance.
- (3) **Finding 2025-03:** iMMAP did not agree with the finding as it believed the costs associated with the bonus were appropriate, regionally expected, and authorized appropriately. iMMAP further believed that the bonus was allowable under the agreement and that not providing the bonus would jeopardize the program's ability to retain local staff. iMMAP acknowledged that the observation was a repeat finding and asserted that corrective action steps were completed pursuant to the prior audit in 2024.
- (4) **Finding 2025-04:** iMMAP did not agree with the finding as it believed the costs were supported appropriately by documentation and that the basis of the finding was that invoices were not marked as cancelled. iMMAP reasserted that the costs were allowable, and vendors were paid. iMMAP acknowledged that the observation was a repeat finding and asserted that corrective action steps were completed pursuant to the prior audit in 2024.
- (5) **Finding 2025-05:** iMMAP did not agree with the finding as it asserted that upgrades to leased buildings did not increase permanent value but were intended to keep the building in operating condition. iMMAP further asserted that the questioned equipment purchases were necessary to meet operational needs. iMMAP affirmed that it has always received donor approval prior to procuring equipment that exceeds \$5,000 in cost.
- (6) **Finding 2025-06:** iMMAP did not agree with the finding as it believed controls surrounding top up cards were adequate. Furthermore, iMMAP believed there was no risk of misallocation and minimal risk of card balances going unused due to the timing of the award end date. iMMAP stated that it reviewed internal controls governing accounting and inventory at field offices and planned to procure only postpaid connections for future project activities.
- (7) **Finding 2025-07:** iMMAP did not agree with the finding as it believed its controls governing foreign currency exchange recordings were adequate and stated that all transactions requiring foreign currency exchange were recorded using the month-end rate in effect when preparing financial reports.

(Continued)



INDEPENDENT AUDITOR'S REPORT ON THE SPECIAL PURPOSE FINANCIAL STATEMENT

Board of Directors
iMMAP Inc.
Washington, DC

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 iMMAP Inc. (SPFS) and the related notes to the Special Purpose Financial Statement (Statement), with respect to the Grant Agreement No. 720BHA22GR00059 (Grant Agreement) awarded by the United States Agency for International Development's Bureau for Humanitarian Assistance (USAID/BHA) to support the Information Management for Disaster Risk Reduction and Response in Afghanistan (IM-D3R) program (the Program), for the period of January 1, 2023, through December 31, 2023.

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, 2023, through December 31, 2023, in accordance with the terms of the Grant 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 iMMAP, 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 iMMAP 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 iMMAP'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 May 14, 2025 on our consideration of iMMAP's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, terms of the Grant 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 iMMAP's internal control over financial reporting and compliance.

Restriction on Use

This report is intended for the information of iMMAP Inc., the United States Agency for International Development's Bureau for Humanitarian Assistance (USAID/BHA), 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.

A handwritten signature in blue ink that reads "Conrad LLP". The signature is written in a cursive, flowing style.

Lake Forest, California
May 14, 2025

iMMAP Inc.

Financial Audit of the Special Purpose Financial Statements for
Grant Agreement No. 720BHA22GR00059
Information Management for Disaster Risk Reduction and Response in Afghanistan

For the Period of January 1, 2023 through December 31, 2023

Special Purpose Financial Statement

	<u>Budget</u>	<u>Actual</u>	<u>Questioned Costs</u>		<u>Total</u>	<u>Notes</u>
			<u>Ineligible</u>	<u>Unsupported</u>		
Revenues:						
Grant Agreement No. 720BHA22GR00059	\$ 4,756,243	\$ 2,205,319				(5)
Total revenues	<u>4,756,243</u>	<u>2,205,319</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Costs incurred:						
Consultants - Labor	2,382,185	1,096,800	-	27,649	27,649	(7)(A)
Building & Grounds	247,500	114,011	-	7,986	7,986	(B)
Communications	60,500	51,110	-	1,000	1,000	(C)
Equipment <\$5,000	91,226	55,532	-	4,270	4,270	(D)
Equipment >\$5,000	24,000	-	-	-	-	
Other Operating Costs	332,863	224,638	39	-	39	(E)
Overseas Allowances	341,341	88,001	-	-	-	
Professional Fees	80,400	66,206	-	-	-	
Travel and Transportation	471,360	199,364	240	13,342	13,582	(F)
Indirect Costs	<u>721,868</u>	<u>341,219</u>	<u>50</u>	<u>9,765</u>	<u>9,815</u>	(G)
Total Costs incurred	<u>\$ 4,756,243</u>	<u>\$ 2,236,881</u>	<u>\$ 329</u>	<u>\$ 64,012</u>	<u>\$ 64,341</u>	
Outstanding fund balance	<u>\$ -</u>	<u>\$ (31,562)</u>				(8)

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

iMMAP Inc.

Financial Audit of the Special Purpose Financial Statements for Grant Agreement No. 720BHA22GR00059 Information Management for Disaster Risk Reduction and Response in Afghanistan

For the Period of January 1, 2023 through December 31, 2023

Notes to Special Purpose Financial Statement¹

(1) Background

iMMAP Inc. (iMMAP) is a humanitarian, non-profit organization established in 2006, and it provides information management services to humanitarian and development organizations. According to its website, iMMAP has 13 country programs including Afghanistan, Iraq, Colombia, and Ethiopia, and has over 80 project partners.

The United States Agency for International Development's Bureau for Humanitarian Assistance (USAID/BHA) awarded iMMAP the Information Management for Disaster Risk Reduction and Response in Afghanistan (IM-D3R) program (the Program), Grant Agreement in support of these objectives. The Total Estimated Amount (TEA) of this Grant Agreement is \$ 9,756,243. iMMAP is required to provide information management products, mapping support, and monitoring and assessment services to key humanitarian response partners. In addition, iMMAP is responsible for improving the impact of humanitarian response in Afghanistan by assisting the humanitarian community to prepare for, respond to, and mitigate the impacts of natural disasters.

USAID issued a Modification of Assistance, Number P002, to Grant Agreement No. 720BHA22GR00059, dated Aug 29, 2023, to extend the Grant Agreement budget by \$5,000,000 to a total obligated amount of \$9,756,243, extend the period of performance from December 31, 2023, to June 30, 2025, and to designate a new Agreement Officer's Representative (AOR). This Special Purpose Financial Statement reflects the budgeted amounts under this Modification of Assistance Number P002.

(2) Basis of Presentation

The accompanying Special Purpose Financial Statement (Statement) includes costs incurred under Grant Agreement No 720BHA22GR00059 for the period January 1, 2023, to December 31, 2023. This is a compilation of this activity between an un-audited year 2023. Because the Statement presents only a selected portion of the operations of iMMAP Inc., it is not intended to and does not present the financial position, changes in the net assets, or cash flows of iMMAP Inc. The information in this Statement is presented in accordance with the requirements specified by SIGAR and is specific to the aforementioned Federal Grant Agreement. Therefore, certain amounts presented in this Statement may differ from the amounts presented in, or used in the preparation of, the basic financial statements.

(3) Basis of Accounting

iMMAP's financial statements are presented on the accrual basis of accounting whereby support and revenue are recorded when earned, and expenses are recorded when incurred, without regard to the date of receipt or payment of cash.

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

iMMAP Inc.

Financial Audit of the Special Purpose Financial Statements for Grant Agreement No. 720BHA22GR00059 Information Management for Disaster Risk Reduction and Response in Afghanistan

For the Period of January 1, 2023 through December 31, 2023

Notes to Special Purpose Financial Statement¹ (Continued)

(4) Foreign Currency Conversion Method

For purposes of preparing the Statement, conversions from local currency to United States dollars iMMAP Inc. uses an online currency converter to check conversion rate unless the person provides a credit card receipt that shows a different exchange rate. An end of the month exchange rate is acceptable to be applied to all the expenses during that month.

Foreign currency gains and losses: Accounts with balances denominated in currencies other than US dollars are translated into dollars at the applicable exchange rates as of the date of the Statement of Financial Position. When amounts denominated in a foreign currency are converted into US dollars, the exchange differences are included in the costs and revenues under the related grant or contract.

(5) Revenue

US government grants represent conditional arrangements subject to the availability of US Government Funding. Revenue is recognized as qualifying direct and allocated indirect expenses are incurred.

(6) Costs incurred by Budget Category

The budget categories presented are for the approved grant agreement budget as detailed in the agreement with the associated actual amounts for the year 2023. It encompasses the entire period of performance.

(7) Compensation

Non-Local Staff (International)

International staff were consultants and received daily subsistence allowance as well as Recuperation Trips outside of Afghanistan as part of their total compensation package.

Local Staff Local staff were paid as consultants and did not receive salaries and fringe benefits.

Unless otherwise specified, all positions were based in Kabul, Afghanistan.

(8) Outstanding Fund Balance

The Outstanding Fund Balance presented in the Statement represents the difference between Funds received and the revenue earned from the US Government. The under drawn fund balance as of February 28, 2022, was \$31,562.

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

iMMAP Inc.

Financial Audit of the Special Purpose Financial Statements for Grant Agreement No. 720BHA22GR00059 Information Management for Disaster Risk Reduction and Response in Afghanistan

For the Period of January 1, 2023 through December 31, 2023

Notes to Special Purpose Financial Statement¹ (Continued)

(9) Cost Share

There was no cost share for this Agreement.

(10) Program Status

The Information Management for Disaster Risk Reduction and Response in Afghanistan (IM-D3R) program (the Program), Grant Agreement No. 720BHA22GR00059, had an original period of performance from March 1, 2022, to December 31, 2023 which was extended. The period of performance for the Grant Agreement was scheduled to conclude June 30, 2025.

(11) Indirect Cost

Pending establishment of final or revised provisional indirect cost rates, allowable indirect costs shall be reimbursed on the basis of the following negotiated provisional rate(s) and the appropriate base(s) when the award was started. All the final rates are also listed below, which remains applicable in the award period:

Effective Period			Indirect Cost Rate	
Type	From	Through	Fringe Benefit	Overhead
Provisional	01/01/2021	Until amended	34.87%	18.00%

(12) Subsequent Events

Management has performed an analysis of the activities and transactions subsequent to the January 01, 2023, through December 31, 2023, period covered by the SPFS. Management has performed their analysis through May 14, 2025.

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

(Continued)

iMMAP Inc.

Financial Audit of the Special Purpose Financial Statements for Grant Agreement No. 720BHA22GR00059 Information Management for Disaster Risk Reduction and Response in Afghanistan

For the Period of January 1, 2023 through December 31, 2023

Notes to Questioned Costs Presented on the Special Purpose Financial Statement²

(A) Consultant – Labor

iMMAP reported total expenditures of \$1,096,800 for Consultants-Labor for the period of January 1, 2023, to December 31, 2023. During our audit of these costs, we noted the following:

- One instance in which an employee that was selected for hire did not meet the requirements stated in the job description, resulting in unsupported costs of \$18,417. See **Finding 2025-01** in the Schedule of Findings and Questioned Costs section of the report.
- Seventeen instances where consultants were paid Eid bonuses for which iMMAP had no supporting policy or employee agreement clause, which resulted in unsupported costs in the amount of \$9,232. See **Finding No. 2025-03** in the *Schedule of Findings and Questioned Costs* section of this report.

The issues identified above resulted in total unsupported costs of \$27,649.

(B) Buildings and Grounds

iMMAP reported total expenditures of \$114,011 for Buildings and Grounds costs for the period of January 1, 2023, to December 31, 2023.

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

- Two instances where iMMAP incurred expenses for capital expenditures to leased buildings without funding agency approval, resulting in unsupported costs of \$1,158. See **Finding No. 2025-05** in the *Schedule of Findings and Questioned Costs* section of this report.
- Two instances where iMMAP did not adequately document payment to vendors, which resulted in unsupported costs of \$6,828. See **Finding No. 2025-04** in the *Schedule of Findings and Questioned Costs* section of this report.

The issues identified above resulted in total unsupported Buildings and Grounds costs of \$7,986.

(C) Communications

iMMAP reported total expenditures of \$51,110 for Communications costs for the period of January 1, 2023, to December 31, 2023. During our audit of these costs, we noted four instances in which

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.

iMMAP Inc.

Financial Audit of the Special Purpose Financial Statements for Grant Agreement No. 720BHA22GR00059 Information Management for Disaster Risk Reduction and Response in Afghanistan

For the Period of January 1, 2023 through December 31, 2023

Notes to Questioned Costs Presented on the Special Purpose Financial Statement² (Continued)

iMMAP did not provide sufficient support to substantiate costs incurred for cash top-up cards. See **Finding No. 2025-06** in the *Schedule of Findings and Questioned Costs* section of this report.

The issue identified above resulted in total unsupported Communications costs of \$1,000.

(D) Equipment

iMMAP reported total expenditures of \$55,532 for Equipment costs for the period of January 1, 2023, to December 31, 2023. All of the expenses were incurred for equipment purchases with single item values less than \$5,000. During our audit of these costs, we noted two (2) instances where iMMAP made purchases of general-purpose equipment without funding agency approval, resulting in \$4,270 in unsupported costs. See **Finding No. 2025-05** in the *Schedule of Findings and Questioned Costs* section of this report.

(E) Other Operating Expenses

iMMAP reported total expenditures of \$224,638 for Other Operating Expenses for the period of January 1, 2023, to December 31, 2023. During our audit of these costs, we noted two instances in which overcharges were made to the program, resulting in \$39 in ineligible costs. See **Finding 2025-07** in the *Schedule of Findings and Questioned Costs* section of this report.

(F) Travel and Transportation

iMMAP reported total expenditures of \$199,364 for Travel and Transportation costs for the period of January 1, 2023, to December 31, 2023. During our audit of these costs, we noted several issues involving non-compliance with iMMAP's travel policy, resulting in \$13,582 in unsupported costs and \$240 in ineligible costs for a total of \$13,582 in questioned costs. See **Finding 2025-02** in the *Schedule of Findings and Questioned Costs* section of this report.

(G) Indirect Costs

iMMAP reported \$341,219 in Indirect Costs for the period of January 1, 2023, to December 31, 2023. The associated indirect costs for the questioned costs in Notes A through F was \$9,815 representing \$50 in indirect costs associated with ineligible expenditures and \$9,765 in indirect costs associated with unsupported expenditures. Please see the table below.

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.

iMMAP Inc.

Financial Audit of the Special Purpose Financial Statements for
Grant Agreement No. 720BHA22GR00059
Information Management for Disaster Risk Reduction and Response in Afghanistan

For the Period of January 1, 2023 through December 31, 2023

Notes to Questioned Costs Presented on the Special Purpose Financial Statement²
(Continued)

Note	Questioned Costs	Fringe Benefits * (34.87% direct and indirect labor)	Overhead ** (18.00%)	Total Associated Indirect Costs
Totals	\$ 54,526	\$ -	\$ 9,815	\$ 9,815

- * No fringe benefits were charged.
- ** Overhead was 18.00% during our audit period based on the 2021 provisional NICRA.

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.

(Continued)



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL

Board of Directors
iMMAP Inc.
Washington, DC

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 iMMAP Inc. (iMMAP) under Grant Agreement No. 720BHA22GR00059 (Grant Agreement) in support of the Information Management for Disaster Risk Reduction and Response in Afghanistan (IM-D3R) program (the Program) for the period of January 1, 2023, through December 31, 2023. We have issued our report thereon dated May 14, 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, 2023, through December 31, 2023, we considered iMMAP'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 iMMAP's internal control. Accordingly, we do not express an opinion on the effectiveness of iMMAP'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 seven (7) significant deficiencies in internal control as described in the accompanying *Schedule of Findings and Questioned Costs*. **Findings 2025-01, 2025-02, 2025-03, 2025-04, 2025-05, 2025-06, and 2025-07** are considered significant deficiencies.

iMAP's Response to Findings

iMAP's response to the findings identified in our audit is included verbatim at the *Appendix A*. iMAP'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 iMAP'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 iMAP Inc., the United States Agency for International Development's Bureau for Humanitarian Assistance (USAID/BHA), 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
May 14, 2025

(Continued)



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE

Board of Directors
iMMAP Inc.
Washington, DC

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 iMMAP Inc. (iMMAP) under Grant Agreement No. 720BHA22GR00059 (Grant) in support of the Information Management for Disaster Risk Reduction and Response in Afghanistan (IM-D3R) program (the Program), for the period of January 1, 2023, through December 31, 2023. We have issued our report thereon dated May 14, 2025 with an unmodified opinion.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether iMMAP'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 award, 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 seven (7) instances 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 **Findings 2025-01, 2025-02, 2025-03, 2025-04, 2025-05, 2025-06, 2025-07**.

iMMAP's Response to Findings

iMMAP's response to the findings identified in our audit is included verbatim at the *Appendix A*. iMMAP'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 iMMAP Inc., the United States Agency for International Development's Bureau for Humanitarian Assistance (USAID/BHA), 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
May 14, 2025

(Continued)

iMMAP Inc.

Financial Audit of the Special Purpose Financial Statements for Grant Agreement No. 720BHA22GR00059 Information Management for Disaster Risk Reduction and Response in Afghanistan

For the Period of January 1, 2023 through December 31, 2023

Schedule of Findings and Questioned Costs

Finding 2025-01: Employee Qualifications did not Meet Job Requirements.

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

Condition: Conrad tested 26 personnel files of the population of 60 international and national staff associated with the program to determine the adequacy of internal controls governing hiring, compensation, and vetting of employees. During our testing, we noted one instance under the Consultant-Labor cost category where iMMAP hired an employee as a Protocol Liaison Officer, a role that processes legal documents and coordinates with government authorities to ensure iMMAP operates with the legal authorization necessary for its implementation in Afghanistan. Upon review of the employee's personnel file, it was evident that the employee did not meet the necessary requirements for the role. The Protocol Liaison Officer job is not an entry-level position and demands a collegiate educational background and three years of relevant work experience, as documented by the job description.

Despite the position being clearly defined with specific duties and qualifications, the employee, who had a high school education and prior work experience as a driver, was selected as a temporary replacement after the prior Protocol Liaison Officer's resignation as he had filled in previously when the Protocol Liaison Officer was on leave. There was no further evidence demonstrating how the employee was selected as a temporary replacement, or how management determined the employee qualified for the position. Subsequently, the employee was formally offered the job after an internal selection process involving a three-question test of job-specific knowledge.

This observation raises concerns about the integrity of the hiring process as the employee was not qualified for the position as defined by the job description and highlights a weakness in internal controls implemented to ensure job positions are filled by qualified candidates.

This observation resulted in total questioned costs of \$18,417.

Criteria:

iMMAP Personnel Policies and Procedures Manual, states in part:

"16.2 Creation of New Positions and Position Vacancies

For US based and overseas professional positions, both newly created and where vacancies exist, the Department Director or relevant supervisor shall identify the department's need, submit a Personnel Requisition Form to the CEO, and collaborate with the Human Resources Director to create a job description. Human Resources shall advertise, collect resumes, and assist the Department Director or hiring supervisor in reviewing and shortlisting the candidates.

...

16.4 Job Description

IMMAP Inc.

Financial Audit of the Special Purpose Financial Statements for
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For the Period of January 1, 2023 through December 31, 2023

Schedule of Findings and Questioned Costs

No position shall be recruited without a specific job description. The job description shall include position title, FLSA classification, duty station, qualifications, principal duties, supervisor, and salary grade.

...

16.7 Solicitation of Applications/Resumes

Applications and resumes may be solicited from other organizations, personal contacts, and public advertising. Each recruitment position must be public. It is the responsibility of the Human Resources Director to determine what fairly defines "public" in each case. For temporary positions, the Human Resources Director may at his/her discretion waive the requirement for a public search and internal posting.

...

16.10 Selection

The final decision on hiring local staff in the field rests with the Country Representative. Terms of employment shall be determined by the Country Representative."

2 CFR 200.303, Internal Controls, states in part:

"The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award..."

2 CFR 200.404, Reasonable Costs, states in part:

"A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. The question of reasonableness is particularly important when the non-Federal entity is predominantly federally-funded. In determining reasonableness of a given cost, consideration must be given to:...

(e) Whether the non-Federal entity significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the Federal award's cost."

Cause: iMMAP's Personnel Policies and Procedures Manual does not contain a set of requirements for considering job candidate qualifications and provides a means for the waiver of the requirements for public solicitation and internal posting for temporary positions which may create loopholes wherein unqualified temporary staff can be awarded permanent positions without considering other qualified applicants.

Effect: Hiring an unqualified candidate for a position that requires legal and administrative expertise essential to operations increased the risk of suspension, delay, or other critical legal failures, exposed

(Continued)

iMMAP Inc.

Financial Audit of the Special Purpose Financial Statements for
Grant Agreement No. 720BHA22GR00059
Information Management for Disaster Risk Reduction and Response in Afghanistan

For the Period of January 1, 2023 through December 31, 2023

Schedule of Findings and Questioned Costs

the program to the potential waste and abuse of resources, and caused unjustified costs to be charged to the award.

Questioned Costs: We identified \$18,417 in unsupported costs and \$3,315 in associated indirect costs, which resulted in \$21,732 in total questioned costs.

Recommendation:

- 1) We recommend that iMMAP provide additional evidence to justify the hiring decision or return \$21,732, or the costs associated with the employee's wages during the audit period, to the funding agency.
- 2) We recommend that iMMAP update its policy to include additional controls that ensure job candidates meet the necessary requirements of the job descriptions prior to hiring, and to prevent temporary positions from being converted to permanent positions without making the recruitment position public or thoroughly considering the internal candidates' qualifications.

(Continued)

IMMAP Inc.

Financial Audit of the Special Purpose Financial Statements for
Grant Agreement No. 720BHA22GR00059
Information Management for Disaster Risk Reduction and Response in Afghanistan

For the Period of January 1, 2023 through December 31, 2023

Schedule of Findings and Questioned Costs

Finding 2025-02: Non-compliance with Travel Policy Requirements

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

Condition: Conrad tested 55 samples corresponding to 131 of 1,829 transactions in the general ledger for the Travel and Transportation cost category. The samples represented \$47,978 of \$199,364 of expenditures reported for the Travel and Transportation cost category. During our testing to determine the allowability and support adequacy of costs incurred, we noted the following non-compliance with iMMAP's travel policy:

Description	Detail	No. of Instances	Ineligible Costs	Unsupported Costs
1. Travel approval forms did not align with dates and purpose of travel for per diem expenses.	<ul style="list-style-type: none">Travel support dates did not align with dates or purpose of travel for two samples corresponding to 50 tested transactions.Two employees traveled for multiple days and iMMAP posted each day's per diem costs separately in the ledger, which contributed to the high total number of 50 observations.	51	-	\$3,442
2. Documentation supporting airfare costs was non-compliant with the Fly America Act (FAA) requirements in company policy.	<ul style="list-style-type: none">FAA waivers lacked evidence linking the waivers to the specific travel itinerary or to the employee that traveled.The waivers were sourced from the U.S. Department of State (DoS) website, which provides high-level guidance and refers to 41 CFR 310-10 for official Fly America Act requirements.	22	-	\$7,395

(Continued)

iMMAP Inc.

Financial Audit of the Special Purpose Financial Statements for
Grant Agreement No. 720BHA22GR00059
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For the Period of January 1, 2023 through December 31, 2023

Schedule of Findings and Questioned Costs

Description	Detail	No. of Instances	Ineligible Costs	Unsupported Costs
3. Travel requests were approved after the date of travel.	<ul style="list-style-type: none">Travel request forms must be approved prior to travel per iMMAP policy.	5	-	\$1,705
4. Per diem allowances exceeded the Department of State allowance rate.	<ul style="list-style-type: none">iMMAP paid travel per diem allowances in an amount that exceeded the Department of State Standard Regulations (DSSR) per diem rate for the travel city.The support showed that iMMAP relied on the International Civil Service Commission's Daily Subsistence Allowance (DSA) rates, which is not applicable, to determine the per diem rate that it used.	8	\$240	-
5. Unsupported Rest and Recuperation (R&R) expenses	<ul style="list-style-type: none">iMMAP could not provide supporting evidence or explanation for an additional \$800 in Rest and Recuperation (R&R) expenses for one employee.	1	-	\$800
Total:		87	\$240	\$ 13,342

In total, these observations resulted in total questioned costs of \$13,582.

(Continued)

iMMAP Inc.

Financial Audit of the Special Purpose Financial Statements for Grant Agreement No. 720BHA22GR00059 Information Management for Disaster Risk Reduction and Response in Afghanistan

For the Period of January 1, 2023 through December 31, 2023

Schedule of Findings and Questioned Costs

Criteria:

iMMAP's Travel Policies and Procedures state the following:

"Expense Request/Travel Approval

iMMAP personnel are required to complete and submit a completed and approved TA to the Finance Department at least two weeks prior to travel, or earlier if at all possible..."

...

"Airfare

The Fly America Act (49 U.S.C. 40118) requires that all air travel and shipments using US government funds (including overhead funds) must be made on US flag carriers to the extent service by such a carrier is available. When not flying with a US flag carrier, a Waiver form must be submitted for approval along with the expense request. This applies to flights between the US and other countries as well as travel between other countries. Along with the Waiver form, please provide a screenshot of the available itineraries to support the unavailability of a US flag carrier or any of the other exemptions."

...

Lodging/Hotel accommodations—receipts required

Travelers for iMMAP are expected to choose reasonably priced accommodations. iMMAP will pay up to 2/3 of the hotel rate as published by the US State Department for overseas travel and GSA for domestic travel in the US assignments exceeding one month. iMMAP will pay up to 100% of the hotel rates for travel less than a month. Rates can be found at International travel

http://aoprals.state.gov/web920/per_diem.asp"

...

Meals and incidental expenses—no receipts required

iMMAP will pay a flat fee of 2/3 of the M&IE rate as published by the US State Department for overseas travel and GSA for domestic travel in the US on assignments exceeding one month. iMMAP will pay a flat fee of 100% of the M&IE rate as published by the US State Department for overseas travel and GSA for domestic travel in the US for travel less than one month. Rates can be found at the above shown websites."

iMMAP's Rest & Recuperation Policy (R&R) states the following:

"R&R allowances

iMMAP pays a flat rate (\$900) for travel costs irrespective of the cost of travel...

Regardless of the destination chosen by the eligible individual to rest and recuperate, iMMAP's financial responsibility shall be limited to the flat rate as defined in individual contracts..."

Regarding the Fly America Act Waiver, 41 CFR 301-10.142 states in part:

"The certification must include:

(a) Your name;

(Continued)

iMAP Inc.

Financial Audit of the Special Purpose Financial Statements for
Grant Agreement No. 720BHA22GR00059
Information Management for Disaster Risk Reduction and Response in Afghanistan

For the Period of January 1, 2023 through December 31, 2023

Schedule of Findings and Questioned Costs

- (b) The dates that you traveled;*
- (c) The origin and the destination of your travel;*
- (d) A detailed itinerary of your travel, name of the air carrier and flight number for each leg of the trip; and*
- (e) A statement explaining why you met one of the exceptions in § 301-10.135, § 301-10.136, or § 301-10.137 or a copy of your agency's written approval that foreign air carrier service was deemed a matter of necessity in accordance with § 301-10.138..."*

2 CFR 200.303, Internal Controls, states in part:

"The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award..."

2 CFR 200.302, Financial Management, states in part:

"(b) The financial management system of each non-Federal entity must provide for the following ... (3) Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, financial obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation."

2 CFR 200.404, Reasonable Costs, states in part:

"A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. The question of reasonableness is particularly important when the non-Federal entity is predominantly federally-funded. In determining reasonableness of a given cost, consideration must be given to:...

(e) Whether the non-Federal entity significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the Federal award's cost."

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:

(a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.

...

(g) Be adequately documented..."

(Continued)

iMMAP Inc.

Financial Audit of the Special Purpose Financial Statements for
Grant Agreement No. 720BHA22GR00059
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Cause: iMMAP management did not perform adequate oversight to ensure iMMAP's travel policy requirements were strictly adhered to.

Effect: Non-compliance with internal travel policy controls resulted in unsupported and ineligible costs charged to the U.S. Government.

Questioned Costs: We identified \$13,342 in unsupported costs, \$240 in ineligible costs, and \$2,445 in associated indirect costs, which resulted in \$16,027 in total questioned costs.

Recommendation:

(1) We recommend that iMMAP provide sufficient documentation demonstrating compliance with travel protocols and FAA compliance or return \$16,027 in questioned costs to the funding agency.

(2) We recommend that iMMAP implement routine monitoring by management to review travel policy compliance and ensure travel costs charged to federal awards are accurate and aligned with its policy.

(Continued)

iMMAP Inc.

Financial Audit of the Special Purpose Financial Statements for
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Schedule of Findings and Questioned Costs

Finding 2025-03: Insufficient Documentation for Payroll Costs Charged to the Program

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

Condition: Conrad tested 26 samples corresponding to 90 of 758 payroll transactions in the general ledger for the Consultants-Labor cost category representing \$222,948 of \$1,096,800 in reported Consultant-Labor expenditures. During our testing to determine the allowability and support adequacy of costs incurred, we noted 17 instances involving internal control deficiencies that were observed in a prior audit where there was insufficient documentation for payroll costs charged to the program: holiday bonuses were paid to consultants without a written policy or employee agreement describing the company's Eid holiday bonus protocols, the amount of the bonus, or how the employee qualifies for the bonus.

These observations resulted in total questioned costs of \$9,232.

Criteria:

2 CFR 200.303, Internal Controls, states in part:

"The Non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award..."

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:

- (a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles...*
- (g) Be adequately documented..."*

Cause: As identified in a prior audit issued in 2024, iMMAP lacked a formal policy for the Eid bonus for the period under audit. iMMAP indicated that controls governing the Eid bonus and payment documentation were implemented in 2024 after the prior audit findings. However, the audit period for the current audit predates the establishment of these controls.

Effect: Since the audit period pre-dates controls, the same conditions were in effect as seen in the prior audit findings. As a result, unsupported costs were charged to the agreement.

(Continued)

iMMAP Inc.

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Questioned Costs: We identified \$9,232 in unsupported costs and \$1,662 in associated indirect costs, which resulted in \$10,894 in total questioned costs.

Recommendation:

- 1) We recommend that iMMAP return \$10,894 in unsupported costs to the funding agency.
- 2) We recommend that iMMAP provide the new established controls governing the Eid bonus and enhanced controls governing payments to vendors to the funding agency to ensure that the controls are implemented.

(Continued)

iMMAP Inc.

Financial Audit of the Special Purpose Financial Statements for
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Schedule of Findings and Questioned Costs

Finding 2025-04: Payments to Vendors Were Not Adequately Supported

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

Condition: Conrad tested seven (7) samples of 346 total transactions in the general ledger for the Buildings and Grounds cost category. The samples represented \$34,386 of \$114,001 in reported Buildings and Grounds expenditures. During our testing to determine the allowability and support adequacy of costs incurred, we noted two (2) instances related to internal control deficiencies that were observed in a prior audit in which payments to vendors were not adequately documented: iMMAP did not retain sufficient proof of payment to vendors. The auditor noted that the vendor's invoices were not cancelled or marked as paid.

These observations resulted in total questioned costs of \$6,828.

Criteria:

2 CFR 200.303, Internal Controls, states in part:

"The Non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award..."

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:

(a) Be necessary and reasonable for the performance of the Federal award and be allocable

thereto under these principles...

(g) Be adequately documented..."

Cause: As identified in a prior audit issued in 2024, iMMAP indicated that new controls were implemented in 2024 as a result of the prior audit findings. However, the audit period for the current audit predates the establishment of these controls.

Effect: Since the audit period pre-dates controls, the same conditions were in effect as seen in the prior audit findings. As a result, unsupported costs were charged to the agreement.

Questioned Costs: We identified \$6,828 in unsupported costs and \$1,229 in associated indirect costs, which resulted in \$8,057 in total questioned costs.

(Continued)

iMMAP Inc.

Financial Audit of the Special Purpose Financial Statements for
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Recommendation:

- 1) We recommend that iMMAP return \$8,057 in unsupported costs to the funding agency.
- 2) We recommend that iMMAP provide the newly established controls governing payments to vendors to the funding agency to ensure that the controls are implemented.

iMMAP Inc.

Financial Audit of the Special Purpose Financial Statements for Grant Agreement No. 720BHA22GR00059 Information Management for Disaster Risk Reduction and Response in Afghanistan

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Schedule of Findings and Questioned Costs

Finding 2025-05: Costs Incurred without Funding Agency Approval.

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

Condition: Conrad tested seven (7) out of 346 transactions on the general ledger for the Buildings and Grounds cost category, and 10 out of 156 transactions on the general ledger for the Equipment cost category. The samples represented \$34,386 of \$114,001 in expenditures reported for Buildings and Grounds cost category, and \$30,167 of \$55,532 in expenditures reported for the Equipment cost category. During our testing to determine the allowability and support adequacy of costs incurred, we noted four (4) instances in which iMMAP incurred costs for capital expenditures and general-purpose equipment without obtaining approval from the funding agency.

- In two (2) instances observed in the Buildings and Grounds cost category, iMMAP made purchases to enhance electrical wiring or upgrade washrooms of a leased building, adding to the permanent value of the building and extending its intended life. The support provided for both samples identified the work performed as “upgrades.” The support noted that the work was not covered by the building landlord as a walkthrough was performed prior to occupancy and no deficiencies were found. This resulted in questioned costs in the amount of \$1,158.
- In one (1) instance we observed in the Equipment cost category, iMMAP purchased general purpose equipment in the form of an air conditioning unit for a leased property. In another instance, we observed solar panels were purchased for four employees’ homes which potentially benefited the employees’ personal home utilities usage. This resulted in questioned costs of \$4,270.

iMMAP was unable to provide evidence of funding agency approval for the four purchases.

This resulted in total questioned unsupported costs of \$5,428.

Criteria:

2 CFR 200.452 Maintenance and repair costs, states in part:

“Costs incurred for utilities, insurance, security, necessary maintenance, janitorial services, repair, or upkeep of buildings and equipment (including Federal property unless otherwise provided for) which neither add to the permanent value of the property nor appreciably prolong its intended life, but keep it in an efficient operating condition, are allowable. Costs incurred for improvements that add to the permanent value of the buildings and equipment or appreciably prolong their intended life must be treated as capital expenditures (see § 200.439). These costs are only allowable to the extent not paid through rental or other agreements.”

(Continued)

iMMAP Inc.

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2 CFR 200.1 “General purpose equipment, states in part:

“General purpose equipment means equipment that is not limited to research, medical, scientific, or other technical activities. Examples include office equipment and furnishings, modular offices, telephone networks, information technology equipment and systems, air conditioning equipment, reproduction and printing equipment, and motor vehicles....”

2 CFR 200.439, Equipment and other capital expenditures, states in part:

“b) The following rules of allowability must apply to equipment and other capital expenditures:

(1) Capital expenditures for general purpose equipment, buildings, and land are unallowable as direct charges, except with the prior written approval of the Federal awarding agency or pass-through entity.

...

(3) Capital expenditures for improvements to land, buildings, or equipment which materially increase their value or useful life are unallowable as a direct cost except with the prior written approval of the Federal awarding agency, or pass-through entity ...”

2 CFR 200.445, Goods or services for personal use, states in part:

“(a) Costs of goods or services for personal use of the non-Federal entity’s employees are unallowable regardless of whether the cost is reported as taxable income to the employees.

(b) Costs of housing (e.g., depreciation, maintenance, utilities, furnishings, rent), housing allowances and personal living expenses are only allowable as direct costs regardless of whether reported as taxable income to the employees. In addition, to be allowable direct costs must be approved in advance by a Federal awarding agency.”

Cause: iMMAP was not aware of the requirement to seek funding agency approval for the instances noted in the finding as the expenditures did not cause a deviation of up to 10% of the direct costs budgeted for the program.

Effect: A lack of awareness created a gap in internal controls that allowed unapproved expenditures to be charged to the U.S. government.

Questioned Costs: We identified \$5,428 in unsupported costs and \$977 in associated indirect costs, which resulted in \$6,405 in total questioned costs.

Recommendation:

- 1) We recommend that iMMAP return \$6,405 in unapproved expenditure to the funding agency.

(Continued)

iMAP Inc.

Financial Audit of the Special Purpose Financial Statements for
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- 2) We recommend that iMAP develop procedures to ensure that capital expenditure and general-purpose equipment are approved appropriately prior to purchase.

IMMAP Inc.

Financial Audit of the Special Purpose Financial Statements for
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Schedule of Findings and Questioned Costs

Finding 2025-06: Insufficient Support for Costs Charged to the Program.

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

Condition: Conrad tested 18 out of 109 transactions in the general ledger for the Communications cost category. The sampled costs represented \$15,476 out of \$51,110 in Communications expenditures. During our testing to determine the allowability and support adequacy of costs incurred, we noted four (4) transactions for cash top-up cards that lacked sufficient support and noted missing controls governing the accounting, inventory, and distribution of the cash top-up cards.

Since there is added risk when converting grant funds into cash top-up cards because of the difficulty in tracking and monitoring their use, the auditor requested additional records and was provided with documentation showing the four monthly purchases of 40 top-up cards in the amount of AFN 500 each for a total purchase of AFN 20,000 in top-up cards each month. The four monthly disbursement sheets that were provided showed employees checked out the cards based on AFN amounts rather than the number of cards. In one sample, an employee checked out AFN 1,100 in top up cards, which did not appear probable as it equated to two AFN 500 top-up cards plus a prorated top-up card of AFN 100. Finally, employees appeared to check out cards in amounts that varied between AFN 500 (one top-up card) to AFN 2,500 (five top-up cards) without any apparent restriction or allocation method.

The auditor requested additional records demonstrating control over the distribution or inventory of cards and was not provided with additional support evidencing controls governing top-up cards or substantiate the costs incurred.

This resulted in questioned costs of \$1,000.

Criteria:

2 CFR 200.303, Internal Controls, states in part:

"The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award..."

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:

- (a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles...*
- (g) Be adequately documented..."*

(Continued)

iMMAP Inc.

Financial Audit of the Special Purpose Financial Statements for
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Cause: The iMMAP Field Office Administrative and Finance Manual did not contain protocols for the accounting, inventory, distribution or use of cash top-up cards.

Effect: Due to a gap in internal controls governing cash top-up cards, unsupported costs were charged to the award.

Questioned Costs: We identified \$1,000 in unsupported costs and \$180 in associated indirect costs, which resulted in \$1,180 in total questioned costs.

Recommendation:

- 1) We recommend that iMMAP provide additional evidence to demonstrate that the costs in question were supported by additional documentation or governed by established internal controls or return \$1,180 in unsupported costs.
- 2) We recommend that iMMAP implement controls governing accounting, inventory, distribution and use of cash top-up cards.

(Continued)

iMAP Inc.

Financial Audit of the Special Purpose Financial Statements for Grant Agreement No. 720BHA22GR00059 Information Management for Disaster Risk Reduction and Response in Afghanistan

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Schedule of Findings and Questioned Costs

Finding 2025-07: Overcharges to the Program

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

Condition: Conrad tested 18 samples corresponding to 18 of 494 transactions on the general ledger for the Other Operating Expenses cost category. The samples represented \$89,495 of \$224,638 of reported expenditures for the Other Operating Expenses cost category.

During our testing to determine the allowability and support adequacy of costs incurred for the Other Operating Expenses cost category, we noted two (2) instances where overcharges were made to the program. Both cases involved withholding tax on rent payments in which the withheld tax that was charged to the program was higher than the tax withheld on the rental agreement. The lease agreement showed the rent in dollars (USD) and iMAP translated the currency and made payment in afghani (AFN) using the daily exchange rate when the payment was made. Then, the next month iMAP recorded payment using the next month's month-end exchange rates, reconverting from AFN to USD, and causing an overcharge to the program due to the variance in exchange rates.

This resulted in questioned costs of \$39.

Criteria:

iMAP's Note 4 to the SPFS, states in part:

"Foreign Currency Conversion Method"

For purposes of preparing the Statement, conversions from local currency to United States dollars iMAP Inc. uses an online currency converter to check conversion rate unless the person provides a credit card receipt that shows a different exchange rate. An end of the month exchange rate is acceptable to be applied to all the expenses during that month."

§ 200.400 Policy guide.

"The application of these cost principles is based on the fundamental premises that:

(a) The non-Federal entity is responsible for the efficient and effective administration of the Federal award through sound management practices."

Cause: iMAP did not provide a currency exchange rate policy and we cannot confirm if iMAP has such policy in place. Based on Note 4 in the Notes to the SPFS, it appears iMAP's practice is to use the month-end rate for financial reporting which management did not adhere to in practice.

Effect: The program was overcharged \$39.

(Continued)

iMMAP Inc.

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Schedule of Findings and Questioned Costs

Questioned Costs: We identified \$39 in ineligible costs and \$7 in associated indirect costs for a total of \$46 in questioned costs.

Recommendation:

- 1) We recommend that iMMAP return \$46 in overcharges to the funding agency.
- 2) We recommend that iMMAP develop and implement policy and procedures governing its foreign currency exchange practices that align with the Notes to the SPFS to ensure all transactions requiring foreign currency exchange are recorded using the month-end rate in effect when preparing financial reporting.

(Continued)

iMMAP Inc.

Financial Audit of the Special Purpose Financial Statements for Grant Agreement No. 720BHA22GR00059 Information Management for Disaster Risk Reduction and Response in Afghanistan

For the Period of January 1, 2023 through December 31, 2023

Status of Prior Audit Findings

We requested prior audit reports, evaluations, and reviews from iMMAP, SIGAR, and USAID pertaining to Grant Agreement activities under this audit. We identified three prior audit reports which contained eight 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 iMMAP'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 23-13, Financial Audit of Costs Incurred Under Grant Agreement No. 720FDA20GR00062 Awarded by the United States Agency for International Development's Democracy, Conflict, and Humanitarian Assistance Bureau and Office of U.S. Foreign Disaster Assistance Supporting the Humanitarian Information Management for Natural Hazard and Emergency Response (HIM-NHER) in Afghanistan for the Period: October 1, 2020 through February 28, 2022**

Finding 2023-01: Procurement Policies and Procedures Were Not Followed – Conrad noted 17 instances where iMMAP could not provide competitive bidding quotations from multiple vendors and iMMAP's required purchase approval form for procurements \$2,500 or greater. There were 31 instances where iMMAP could not provide the relevant procurement documentation for procurements under \$2,500, such as iMMAP's required purchase approval form and one quotation from the selected vendor. This resulted in a total questioned cost of \$125,861.

Status: For the current engagement, Conrad reviewed iMMAP's general ledger and tested buildings and grounds, communications, equipment, other operating expenses, professional fees, and travel and transportation transactions for the audit period. Based on Conrad's testing, this issue was not repeated. As such, Conrad concluded that iMMAP took adequate corrective action on this finding.

Finding 2023-02: Insufficient Documentation for Payroll Costs Charged to the Program – Conrad identified 15 instances of Eid bonuses paid without a written policy or supporting documentation; two instances involved payments made to a consultant beyond the agreed work period, including January and February 2022, as well as additional payments from September to December 2021; and four instances where a consultant's compensation exceeded the amount stated in the agreement, with no justification for the overpayments. This resulted in a total questioned cost of \$19,676.

Status: For the current engagement, Conrad reviewed consultant-labor samples and found that this issue was repeated. This observation is described in **Finding 2025-03**. However, the current audit period pre-dates the management corrective actions implemented after **Finding 2023-02**. Consequently, the samples reviewed in the current audit pre-date the newly established controls.

iMMAP Inc.

Financial Audit of the Special Purpose Financial Statements for Grant Agreement No. 720BHA22GR00059 Information Management for Disaster Risk Reduction and Response in Afghanistan

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Status of Prior Audit Findings

For this reason, we cannot conclude whether iMMAP took adequate corrective actions on this prior finding. This finding is repeated.

Finding 2023-03: Costs for a Global Security Coordinator were Incorrectly Allocated and Charged to the Program – Conrad noted several issues were identified with costs allocated to the Program for a Global Security Coordinator from the iMMAP France office. Three instances involved iMMAP charging a portion of the consultant's salary to the Program without supporting documentation to justify the allocation, and the reported hours on the timesheets did not align with the salary charges. One instance involved charging 100% of the consultant's mobile phone costs to the Program, and another instance involved charging 100% of the consultant's danger pay allowance. These misallocations resulted in ineligible costs. This resulted in questioned costs of \$10,719.

Status: For the current Engagement, Conrad reviewed iMMAP's general ledger and tested Consultant-Labor samples and found that this issue was not repeated. As such, Conrad concluded that iMMAP took adequate corrective action on this finding.

Finding 2023-04: Property Rental Commission Payment Made to Either an Individual Who Claimed to Be the Property Dealer or an iMMAP Staff Member Without Proper Identification of the Intended Individual to Be Paid – Conrad noted two instances of unsupported rental commission payments. In the first instance, a \$4,000 commission was paid in cash to an individual, but the lease agreement did not list the property dealer's name, and the individual's identity and payment could not be verified. In the second instance, a \$2,500 commission was paid in cash to an individual who was identified as the property dealer, but the agreement did not specify the dealer's name, and the payment documentation lacked identifying information to confirm who received the payment. This resulted in questioned costs of \$6,500.

Status: For the current engagement, Conrad reviewed samples for the buildings and grounds cost category and found that this issue was repeated. This observation is described in **Finding 2025-04**. However, the current audit period predates the management corrective actions implemented after **Finding 2023-04**. Consequently, the samples reviewed in the current audit pre-date the newly established controls. For this reason, we cannot conclude whether iMMAP took adequate corrective actions on this prior finding. This finding is repeated.

Finding 2023-05: Lacked an Allocation Policy and Procedure for Shared Costs Charged to the Program – Conrad noted four instances where costs related to data and cloud services by a contractor were allocated to the Program without sufficient documentation to support the allocation basis. This resulted in questioned costs of \$5,451.

(Continued)

iMMAP Inc.

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Status of Prior Audit Findings

Status: For the current engagement, Conrad reviewed the general ledger and tested samples in the Communications cost category and found that this issue was not repeated. As such, Conrad concluded that iMMAP took adequate corrective action on this finding.

2. Report: Audited Financial Statements and Supplementary Information Years ended December 31, 2022 and 2021

Finding 2022-001: Internal Controls Over Financial Close – Auditor noted multiple adjustments were required to present the financial statements in accordance with U.S. GAAP. Specifically, adjustments were needed to decrease the deferred revenues and accounts receivable. There were no questioned costs associated with this finding.

Status: For the current engagement, Conrad reviewed the general ledger and selected a sample of consultant – labor, buildings and grounds, communications, equipment, other operating expenses, overseas allowances, professional fees, travel and transportation, and indirect cost transactions for our testing. Based on our testing, this issue was not repeated. As such, Conrad concluded that iMMAP took adequate corrective action on this finding.

3. Report: Audited Financial Statements and Supplementary Information Years ended December 31, 2021 and 2020

Finding 2021-001: Reportable Findings Considered a Significant Deficiency – Subaward Reporting – Auditor noted that both of the Organization's only subaward agreements and modifications subject to reporting under the Federal Funding Accountability and Transparency Act were not submitted to the FSRs as required. The required subaward agreements were not submitted and without proper controls in place, corrective actions were not taken timely enough to resolve this issue. There were no questioned costs associated with this finding.

Status: For the current engagement, Conrad reviewed iMMAP's general ledger and tested consultants-labor, buildings and grounds, communications, equipment, other operating expenses, overseas allowances, professional fees, travel, and indirect costs transaction samples for the audit period. Based on Conrad's testing, this issue was not repeated. As such, Conrad concluded that iMMAP has taken adequate corrective action on this finding.

Finding 2021-002: Reportable Findings Considered a Significant Deficiency – Procurement – Auditor noted during internal control and compliance testing for the procurement requirement, that the auditee did not follow their policies of obtaining competitive bids or documenting procurement by a noncompetitive proposal. They also did not properly search to make sure each applicable vendor was not suspended or debarred prior to engaging their services. Out of eight procurements selected for testing, issues regarding lack of proper procurement compliance were found with two

(Continued)

iMAP Inc.

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Status of Prior Audit Findings

of them. Statistical sampling was determined using AICPA approved guidelines. There were no questioned costs associated with this finding.

Status: For the current engagement, Conrad reviewed iMAP's general ledger and tested buildings and grounds, communications, equipment, and other operating expenses transaction samples for the audit period. Based on our testing, this issue was not repeated. As such, Conrad concluded that iMAP has taken adequate corrective action on this finding.

iMAP Inc.

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iMAP's Responses to Audit Findings



APPENDIX A

iMAP Inc.

Financial Audit of the Special Purpose Financial Statements for
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Information Management for Disaster Risk Reduction and Response in Afghanistan

For the Period of January 1, 2023 through December 31, 2023

iMAP would like to thank you for the opportunity to respond to the audit findings noted in this audit report. We will address each of the findings individually.

Since iMAP, Inc.'s inception in 2007, the organization has emerged as a reliable partner and effective steward of U.S. Government resources. Managing a substantial portfolio of \$79 million in U.S. Government awards since 2019, with a significant portion attributed to USAID at \$63 million, iMAP has consistently demonstrated a commitment to responsible resource management. Providing information management services for evidence-based decision-making in humanitarian clusters, iMAP has played a crucial role in various sectors, including Logistics, WASH, Health, Protection, Education, Nutrition, Camp Management, Food Security, and Gender-Based Violence. The organization has further solidified its commitment to transparency, accountability, and sound financial practices by consistently obtaining unmodified opinions as part of the single audit process. iMAP's trajectory since 2007 positions it as a reliable and trusted custodian of U.S. Government resources, showcasing leadership in effective resource management for humanitarian and development initiatives.

Please see below our specific responses to each of the findings.

Finding 2025-01: Employee Qualifications did not Meet Job Requirements.

1) We recommend that iMAP provide additional evidence to justify the hiring decision or return \$21,732, or the costs associated with the employee's wages during the audit period, to the funding agency.

We do not concur with the return of the questioned \$21,732 in funds as these charges are valid, reasonable and chargeable to the US Government and iMAP has provided sufficient evidence to justify the hiring decision.

The Protocol Liaison Officer was an internal promotion of an employee who had filled in for the job requirements when his predecessor was on leave, thus demonstrating his familiarity with the job and ability to meet these requirements. The qualifications written in the TOR were for external applicants, which did not end up being applicable in this case as we hired this position

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iMMAP Inc.

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iMMAP's Responses to Audit Findings (Continued)



APPENDIX A

in-house. This employee was hired because he was working and assisting on those tasks already with his predecessor. Further, his Performance Evaluation Reports were also shared that show that he was performing the assigned tasks at the highest standards as required for the position.

2) We recommend that iMMAP update its policy to include additional controls that ensure job candidates meet the necessary requirements of the job descriptions prior to hiring, and to prevent temporary positions from being converted to permanent positions without making the recruitment position public or thoroughly considering the internal candidates' qualifications.

iMMAP concurs with this recommendation. iMMAP has updated the HR policy to provide additional guidance to the teams on the new hiring methodology to be used throughout the organization.

Finding 2025-02: Non-compliance with Travel Policy Requirements

(1) We recommend that iMMAP provide sufficient documentation demonstrating compliance with travel protocols and FAA compliance or return \$16,027 in questioned costs to the funding agency.

We do not concur with the return of the questioned \$16,027 in funds as these charges are valid, reasonable and chargeable to the US Government and iMMAP has provided sufficient documentation to demonstrate compliance.

The required Travel Authorizations (TARs) were provided for all the travelers, including travel for the post assignment and the R&Rs. They were fully authorized and approved under the staff contracts with the mention of their duty stations, however in the report auditor's even questioned cost for their daily Per Diems, which was difficult to understand.

As noted in the Audit Report, iMMAP demonstrated that the FAA waiver form used was adopted from the U.S. Department of State (DoS) website: <https://www.state.gov/wp-content/uploads/2019/02/Fly-America-Act-Waiver-Checklist.pdf>

While, this form misses traveler names and purpose of travel, this FAA form is attached in iMMAP's accounting system, [REDACTED] by the traveler to obtain advance approval. The [REDACTED] system then automatically associates the Traveler name and purpose of travel with the FAA waiver form while reviews and approvals are completed. iMMAP is aware of no instance in which travel costs were charged to its program without proper authorization and our processes preclude such event from occurring.

(Continued)

iMMAP Inc.

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iMMAP's Responses to Audit Findings (Continued)



APPENDIX A

(2) We recommend that iMMAP implement routine monitoring by management to review travel policy compliance and ensure travel costs charged to federal awards are accurate and aligned with its policy.

iMMAP travel policy and procedures are aligned to USG guidelines and there are sufficient controls available to ensure travel costs charged to federal awards are as per the cost principles. We will review our internal controls to further ensure we maintain compliance.

Finding 2025-03: Insufficient Documentation for Payroll Costs Charged to the Program

1) We recommend that iMMAP return \$10,894 in unsupported costs to the funding agency.

iMMAP does not concur with the return of \$10,894 of the questioned unsupported costs and associated indirect costs as they are valid, reasonable and chargeable to the US Government and iMMAP has provided sufficient documentation to demonstrate compliance. iMMAP acknowledges that its contracts did not specifically state that Eid bonus was allowable; but given iMMAP's compliance with locally accepted payroll practice and given the availability of funds within the agreement, the Eid bonus was properly approved and authorized by the cognizant iMMAP personnel. It did not impair iMMAP's ability to successfully complete the objective of the agreement nor did it exceed the cost of the agreement. To the contrary, iMMAP may have lost staff had it not provided the locally accepted Eid bonus, which could have put the objective of the Grant Agreement at risk.

This was a repeated observation from the last SIGAR audit for which the report was issued in 2024. Based on the recommendations the staff contract's language was updated and we have demonstrated that to the auditors. iMMAP now considers this item as closed as the report further acknowledges that "iMMAP indicated that controls governing the Eid bonus and payment documentation were implemented in 2024 after the prior audit findings."

2) We recommend that iMMAP provide the new established controls governing the Eid bonus and enhanced controls governing payments to vendors to the funding agency to ensure that the controls are implemented.

This was a repeated observation from the last SIGAR audit for which the report was issued in 2024. Based on the recommendations the staff contract's language was updated and we have demonstrated that to the auditors. iMMAP now considers this item as closed.

(Continued)

iMAP Inc.

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iMAP's Responses to Audit Findings (Continued)



APPENDIX A

Finding 2025-04: Payments to Vendors Were Not Adequately Supported

1) We recommend that iMAP return \$8,057 in unsupported costs to the funding agency.

iMAP does not concur with the return of \$8,057 of the unsupported costs and associated indirect costs as they are valid, reasonable and chargeable to the US Government and iMAP has provided sufficient documentation to demonstrate compliance.

There was no instance of missing documentation to support costs charged to the program. The only basis for these unsupported costs were invoices that did not having a stamp cancelled during the audit period to demonstrate payments to vendors. However, these vendors were properly paid and the costs were otherwise allowable and chargeable to the Grant. This was a prior audit finding and iMAP took corrective action in 2024, yet as noted in the report, the audit period samples pre-date the corrective action.

2) We recommend that iMAP provide the new established governing payments to vendors to the funding agency to ensure that the controls are implemented

This was a prior audit finding and iMAP took corrective action in 2024, the audit period samples pre-date the corrective action. As the report notes that "iMAP indicated that new controls were implemented in 2024 as a result of the prior audit findings," iMAP now considers this matter closed.

Finding 2025-05: Costs Incurred without Funding Agency Approval.

1) We recommend that iMAP return \$6,405 in unapproved expenditure to the funding agency.

iMAP does not concur with the return of \$6,405 of the questioned costs and associated indirect costs as they are valid, reasonable and chargeable to the US Government and iMAP has provided sufficient documentation to demonstrate compliance.

This includes questioned costs of \$1,158 related to purchases to enhance electrical wiring or upgrading washrooms of a leased building. Contrary to the audit report, these did not add to the permanent value of the building but rather were to keep it in an efficient operating condition.

(Continued)

iMMAP Inc.

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iMMAP's Responses to Audit Findings (Continued)



APPENDIX A

The remaining questioned costs includes \$4,270 was for solar panels (\$3,640) that were purchased for four female employees' homes to facilitate them to work from home due to the Taliban's government restrictions of their office working. Whereas an air conditioning unit (\$630) was installed in the office for operational needs.

iMMAP is managing a Grant agreement that doesn't require prior approval on deviation up to 10% within Direct cost.

- 2) We recommend that iMMAP develop procedures to ensure that capital expenditure and general-purpose equipment are approved appropriately prior to purchase.

iMMAP has always received prior donor approvals for all the program equipment's procured that exceeds \$5,000 in all its USG funded awards. iMMAP will revisit its procedures to ensure that it receives any necessary approvals prior to purchasing, as required by the terms of its Grant.

Finding 2025-06: Insufficient Support for Costs Charged to the Program.

- 1) We recommend that iMMAP provide additional evidence to demonstrate that the costs in question were supported by additional documentation or governed by established internal controls or return \$1,180 in unsupported costs.

iMMAP does not concur with the return of \$1,180 of the questioned costs and associated indirect costs as they are valid, reasonable and chargeable to the US Government and iMMAP has provided sufficient documentation to demonstrate compliance.

Since iMMAP was running only one project in Afghanistan, there was no chance of misallocation of costs. All the costs incurred were properly allocated and supported with paid invoices. While the disbursement sheets showed employees check out the cards based on AFN amounts rather than the number of cards, these prepaid phone cards were solely used for program purposes and were adequately tracked using the disbursement sheets. Given this award end date was June 30, 2025, therefore the risk of unused card balances was minimal.

- 2) We recommend that iMMAP implement controls governing accounting, inventory, distribution and use of cash top-up cards.

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iMMAP's Responses to Audit Findings (Continued)



APPENDIX A

iMMAP has reviewed the controls governing accounting and inventory at the field offices and decided that with any new USG awards in 2025, we plan to procure only postpaid connections for the project activities.

Finding 2025-07: Overcharges to the Program

1) We recommend that iMMAP return \$46 in overcharges to the funding agency.

iMMAP does not concur with the return of \$46 of the questioned costs and associated indirect costs as they are valid, reasonable and chargeable to the US Government and iMMAP has provided sufficient documentation to demonstrate compliance.

Since the amount of tax withheld and deposited to the government was done in Afghani Currency, the withholding tax charged to the program was automatically adjusted with month-end Currency Gain/Loss adjustments entries, therefore resulting in no overcharging to the award. iMMAP's internal policy is to use an end of the month exchange rate to be applied to all expenses during that month. To do otherwise on a daily basis would be overly burdensome.

2) We recommend that iMMAP develop and implement policy and procedures governing its foreign currency exchange practices that align with the Notes to the SPFS to ensure all transactions requiring foreign currency exchange are recorded using the month-end rate in effect when preparing financial reporting.

iMMAP follows procedures governing its foreign currency exchange recordings. The books of accounts are reconciled every month to ensure all transactions requiring foreign currency exchange are recorded using the month-end rate in effect when preparing financial reporting. iMMAP policies and procedures are aligned with this practice.

(Continued)

iMMAP Inc.

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

Included on the following pages are the Auditor's rebuttals to iMMAP's responses received to the findings identified in this report.

(1) Finding 2025-01: Employee Qualifications did not Meet Job Requirements

- In response to the audit finding, iMMAP did not agree with the audit finding.
- iMMAP indicated that the employee in question, who was previously employed as a driver, had temporarily served in the position when the prior Protocol Liaison Officer was on leave, demonstrating his familiarity with the job and ability to meet the requirements of the role.
- iMMAP states, "This employee was hired because he was working and assisting on those tasks already with his predecessor."
- iMMAP indicated that the job description qualifications were applicable for external applicants only and were not applicable to the hiring of the Protocol Liaison Officer's replacement as he was an internal applicant.
- iMMAP further suggested that the employee's ability was sufficiently evidenced by performance evaluations that affirmed he was performing at "the highest standards."
- iMMAP agreed with the recommendation to further enhance controls surrounding the hiring process.

Auditor Rebuttal: iMMAP indicated that the employee in question, who was hired as a driver, was chosen as a temporary replacement for the former Protocol Liaison Officer and that he had previously taken on the responsibilities of role while the Protocol Liaison Officer was on leave. However, it is unclear to the auditor how the driver's role and responsibilities overlapped with that of the prior Protocol Liaison Officer or how they prepared him to serve, even temporarily, as an assistant and then interim representative for a position that requires higher education as well as legal and administrative expertise, neither of which were evidenced by the driver's curriculum vitae.

During fieldwork, the auditor reviewed iMMAP's internal controls and found that iMMAP deviated from its hiring policies, which hinge on the creation of a job description complete with required qualifications for all new and vacant positions, by selecting a candidate that did not meet the minimum requirements of the role. iMMAP's response indicated that job qualifications were only applicable to external rather than internal applicants. However, iMMAP's personnel policy does not make this distinction nor does it make allowance for an internal candidate to not conform with job description qualifications. It is unclear why a necessary skillset and experience level would differ, or change based on an applicant's internal or external nature.

iMMAP further suggested that the employee's ability was sufficiently evidenced by performance evaluations that affirmed he was performing at "the highest standards." However, it is difficult to determine if the employee's excellent performance evaluations were truly a result of his ability or

iMMAP Inc.

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Auditor's Rebuttal to iMMAP's Responses to Audit Findings (Continued)

if they were an extension of the initial, preferential treatment that resulted in his advancement from Driver to Protocol Liaison Officer.

Hiring an unqualified candidate who does not meet the education or experience requirements is a common characteristic of environments where favoritism, nepotism, and patronage prevail over merit and is a relatively high risk for business and government operations in Afghanistan. Since iMMAP was unable to provide further evidence to substantiate the employee's qualifications, and for the reasons given above, the audit finding, recommendations, and questioned costs remain unchanged.

(2) Finding 2025-02: Non-compliance with Travel Policy Requirements

- In response to the audit finding, iMMAP did not agree with the auditor's findings or recommendations on the basis that the travel authorizations were provided for all travelers and the employees' travel was fully authorized and approved via employment contracts which define post assignments, R&R benefits, and duty stations.
- Furthermore, it believed that the Fly America Act (FAA) waiver it utilized was sufficient as it was adopted from the Department of State website and is associated with specific travel records within iMMAP's accounting system.
- Additionally, iMMAP stated that it was "aware of no instance in which travel costs were charged to its program without proper authorization and our processes preclude such event [*sic*] from occurring."
- Lastly, iMMAP stated that its travel policy and procedures are aligned with USG guidelines and there are sufficient controls available to ensure travel costs charged to federal awards are as per the cost principles.

Auditor Rebuttal: While employee agreements generally indicate the post assignment and employees' right to R&R, it is iMMAP's travel policy that implements specific controls governing business-related travel for iMMAP personnel for both national and international travel. Accordingly, the policy defines business related travel as, "travel to and from posts of assignment, travel on approved R&R, travel due to emergency evacuation, [and] travel on iMMAP business." The policy requires a pre-approved travel approval request (TAR) for all iMMAP business-related travel. The auditor reviewed TARs for all travel costs, including per diem costs, and found several instances in which:

- The TAR dates did not cover all the days of travel in which expenses occurred; and/or
- The TAR was approved after the travel date; and/or
- The TAR stated the purpose of travel was for R&R, but the cost was a per-diem expense, which was prohibited for R&R travel according to the iMMAP R&R policy.

(Continued)

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Auditor's Rebuttal to iMMAP's Responses to Audit Findings (Continued)

The auditor engaged iMMAP extensively in conversations regarding these observations to ensure management was aware of the non-conformity with company policy and applicable cost-principles.

Regarding the FAA waiver, iMMAP acknowledged the waivers did not include identifying information such as name, dates, or purpose of travel and did not provide additional documentation demonstrating compliance, as requested in the audit recommendation. As a result, the auditor concluded that the FAA waiver forms contained insufficient information and could not be independently associated with or tied to specific travel records and costs on the general ledger. Additionally, the waiver did not meet the minimum requirements of the FAA.

The auditor agrees that the iMMAP travel policy uses US government guidelines and indicates per-diem expenses are determined by the Department of State Standardized Regulations (DSSR) allowance rates. However, the auditor observed that, in practice, iMMAP utilized a different entity's allowance rates for costs charged to the US government which exceeded the DSSR rates. No explanation was provided for why a different entity's allowance rates were used in lieu of the DSSR rates, and no root cause was identified by management.

Finally, the auditor observed one instance in which the flat rate benefit defined by the iMMAP R&R policy was exceeded by \$800. However, no explanation was provided for the overage. As the auditor observed instances where internal controls surrounding travel costs were ineffective in preventing unallowable or unsupported costs from being charged to the agreement, and for the reasons provided above, the finding, recommendations, and questioned costs will remain unchanged.

(3) Finding 2025-03: Insufficient Documentation for Payroll Costs Charged to the Program

- In response to the audit finding, iMMAP did not agree with the finding or recommendations and believed that the bonus was appropriate, authorized, and expected by Afghan national employees.
- iMMAP acknowledged that its contracts did not specifically state that the Eid bonus was allowable. However, given its compliance with locally accepted payroll practice and the availability of funds within the agreement, the Eid bonus was properly approved and authorized by the cognizant iMMAP personnel.
- iMMAP acknowledged that this finding was a repeated observation from a prior SIGAR audit report issued in 2024, and affirmed that it had completed corrective actions pursuant to that audit. As a result, iMMAP considered this matter to be closed.

Auditor Rebuttal: While it is true that the audit period for this report pre-dates the issuance of the prior audit report and therefore the sampled costs pre-date the iMMAP corrective actions, as iMMAP acknowledged the lack of formal policy or procedure to document and support the Eid

(Continued)

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Auditor's Rebuttal to iMMAP's Responses to Audit Findings (Continued)

bonus during the audit period, and as iMMAP did not provide further documentation to support the Eid bonus, no further rebuttal is deemed necessary. As such, the finding and recommendations remain unchanged.

(4) Finding 2025-04: Payments to Vendors Were Not Adequately Supported

- In response to the audit finding, iMMAP did not agree with the finding or recommendations and believed that the only basis for the unsupported costs were invoices that did not have a stamp cancelled during the audit period to demonstrate payments to vendors.
- iMMAP asserted that the costs were otherwise allowable, and vendors were paid appropriately.
- iMMAP acknowledged that this finding was a repeated observation from a prior SIGAR audit report issued in 2024, and affirmed that it had completed corrective actions pursuant to that audit. As a result, iMMAP considered the matter to be closed.

Auditor Rebuttal: In Afghanistan, personal seals or “stamps” are a common way to identify individuals or businesses and often serve as a signature, particularly on official documents. In many cases, an invoice or cash voucher that is missing a stamp from the vendor is akin to an unsigned receipt. As many of the transactions involve cash payments, the stamp serves as evidence that the cash was collected by the appropriate party (i.e., the vendor). As the risks surrounding cash transactions are significantly higher in Afghanistan, it was important that the stamps be present to mark the transaction as paid. In the support that was reviewed, several invoices and cash vouchers were not stamped/signed, creating a deficiency in evidence whereby the auditor could see that a cash transaction occurred, but could not properly verify who received the cash.

While it is true that the audit period for this report pre-dates the issuance of the prior audit report and therefore the sampled costs pre-date the iMMAP corrective actions, as the condition was observed to have repeated and led to unsupported costs, the audit finding and recommendations remain unchanged.

(5) Finding 2025-05: Costs Incurred without Funding Agency Approval

- In response to the audit finding, iMMAP did not agree with the finding or recommendations.
- iMMAP affirmed that the costs incurred for upgrades and equipment were intended to keep leased buildings in operating condition and meet the work-related needs of staff.
- iMMAP asserted that the upgrades did not add to the permanent value of the buildings.
- iMMAP believed the purchases did not require prior approval from the funding agency as they did not exceed \$5,000 in cost and did not represent a 10% deviation of direct costs.

(Continued)

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Auditor's Rebuttal to iMAP's Responses to Audit Findings (Continued)

- iMAP partially agreed to review its procedures surrounding the necessary approvals prior to purchasing.

Auditor Rebuttal: In the support the auditor reviewed, iMAP indicated that the electrical upgrades were required to run additional air conditioners and generator and the scope of the upgrades involved, "complete electrical system repair for four floors, including afterburn restoration and equipment... and panel box installation costs." With regard to the washroom upgrades observed in the finding, the vendor's invoice suggests extensive work on sinks, toilets, showers, and plumbing. Considering the scope of the repairs, it reasonable to believe that the leased building's value was increased by a full repair of the electrical system for four floors and upgrades to bathroom fixtures. The auditor concluded that these expenses constituted capital expenditures, which are unallowable without the approval of the funding agency. iMAP was unable to provide evidence that it sought approval for the expenditures.

With regard to the air conditioner that was purchased for a leased building, the auditor concluded the purchase qualified as general-purpose equipment. General-purpose equipment requires funding agency approval prior to purchase regardless of the cost. The auditor has discussed this distinction with iMAP management and included the criteria in the finding.

With regard to the solar panels purchased and installed in employee homes, the auditor concluded the purchase qualified as an expense for the cost of housing for employees, which includes maintenance, utilities, furnishings, etc. Costs of housing are allowable as direct costs, but must be approved by the funding agency to be allowable. The auditor has discussed this distinction with iMAP management and included the criteria in the finding.

In both cases of the air conditioner and solar panels, iMAP did not seek funding agency approval prior to incurring the costs and charging them to the agreement. For the reasons stated above, the audit findings, recommendations, and questioned costs remain unchanged.

(6) Finding 2025-06: Insufficient Support for Costs Charged to the Program

- In response to the audit finding, iMAP did not agree with the finding or recommendations.
- iMAP asserted that there was no risk of misallocation for top-up cards due to having only one program operating in Afghanistan, and minimal risk with regard to unused card balances due to the award end date being June 30, 2025.
- iMAP affirmed that all costs were supported with paid invoices.
- iMAP stated that it reviewed internal controls governing accounting and inventory at field offices and decided that it will procure only postpaid connections for future project activities.

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iMAP Inc.

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Auditor's Rebuttal to iMAP's Responses to Audit Findings (Continued)

Auditor Rebuttal: iMAP's response did not address the main concerns of the finding, which involve the inadequate internal controls governing the inventory, tracking, and distribution of the cash top up cards and the insufficient support provided to substantiate costs. Additionally, iMAP affirmed that it will change its process going forward in order to maintain better control over these costs. As iMAP did not provide further evidence to support the assertion that top up cards were used for program purposes or demonstrate sufficient control over the inventory and distribution of the cards, the audit finding, recommendations, and questioned costs will remain.

(7) Finding 2025-07: Overcharges to the Program

- In response to the audit finding, iMAP did not agree with the finding or recommendations.
- Since the amount of tax withheld and deposited to the government was done in Afghani Currency, the withholding tax charged to the program was automatically adjusted with month end Currency Gain/Loss adjustments entries, therefore resulting in no overcharging to the award.
- iMAP's internal policy is to use an end of the month exchange rate to be applied to all expenses during that month. To do otherwise on a daily basis would be overly burdensome.

Auditor Rebuttal: iMAP did not provide a currency exchange rate policy and we cannot confirm if iMAP has such policy in place. Based on Note 4 in the Notes to the SPFS, it appears iMAP's practice was to use the month-end rate for financial reporting which management did not adhere to in practice. As the audit finding noted, iMAP translated the currency and made payment in afghani (AFN) using the daily exchange rate when the payment was made. Then, *the next month* iMAP recorded payment using *the next month's* month-end exchange rates, reconverting from AFN to USD, and causing an overcharge to the program due to the variance in exchange rates. For the reasons stated above, the audit findings, recommendations, and questioned costs will remain unchanged.

(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.

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SIGAR's Mission

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