



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: July 14, 2022

TO: USAID/Southern Africa, Regional Mission Director, Andrew Karas

FROM: USAID OIG Africa Regional Office, Audit Director, Robert Mason /s/

SUBJECT: Financial Audit of USAID Resources Managed by IntraHealth Namibia Under Multiple Awards, January 1 to December 31, 2021 (Report No. 4-673-22-074-R)

This memorandum transmits the final audit report on USAID resources managed by IntraHealth Namibia under the following awards:

Award Name (Type)	Award Number	Audit Period	Prime Implementer
Key Populations – Strengthening Technical Assistance and Response for Sustainable HIV Prevention and Treatment (KP-STAR) (cooperative agreement)	AID-72067320CA00003	Jan. 1 – Dec. 31, 2021	
Subaward IHN-SA-04095-07 Technical and Coordination of DREAMS Clinical Activities	AID-72067318CA00002	Jul. 1 – Dec. 31, 2021	Project Hope Namibia
Second Tier Subaward 3470-001 Technical and Coordination of DREAMS Clinical Activities (closeout)	AID-72067318CA00002	Jan. 1 – Jul. 31, 2021	IntraHealth International
Subaward DATA-FI-IHN-01- Translating Data for Implementation (DATA.FI) (closeout)	AID-7200AA19CA00004	Jan. 1 – May 31, 2021	Palladium International LLC

IntraHealth Namibia contracted with the independent certified public accounting firm Deloitte & Touché, Windhoek, Namibia, to conduct the audit. The audit firm stated that it performed its audit in accordance with generally accepted government auditing standards (GAGAS). However, it did not have continuing professional education and an external peer review that fully satisfied the requirements of GAGAS. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on IntraHealth Namibia's schedule of expenditures of USAID awards; the effectiveness of its internal control; or its

compliance with the award, laws, and regulations.¹

The audit objectives were to (1) express an opinion on whether the schedule of expenditures of USAID awards for the period audited, was presented fairly, in all material respects; (2) evaluate IntraHealth Namibia's internal controls; (3) determine whether IntraHealth Namibia complied with award terms and applicable laws and regulations; (4) review the indirect cost rate; and (5) review the implementation status of the prior period recommendations.

To answer the audit objectives, Deloitte & Touché (1) audited the schedule of expenditures of USAID awards for the award including the budgeted amounts by category and major items and the revenues received from USAID for the period covered by the audit and the costs reported by IntraHealth Namibia as incurred from January 1 to December 31, 2021; (2) evaluated the control environment, the adequacy of the accounting systems, and control procedures that pertain to IntraHealth Namibia's ability to report financial data consistent with the assertions embodied in each account of the schedule of expenditures of USAID awards; (3) identified the award terms and pertinent laws and regulations and determined which of those, if not observed, could have a direct and material effect on the schedule of expenditures of USAID awards; (4) determined that the review of the indirect cost rate was not applicable; and (5) reviewed the implementation status of the prior period recommendations. IntraHealth Namibia reported expenditures of \$3,313,655 in USAID funds during the audited period.

The audit firm concluded the schedule of expenditures of USAID awards presented fairly, in all material respects, program revenues and costs incurred under the award for the period audited. The audit firm identified no questioned costs; no material weaknesses in internal control; and no instances of material noncompliance. The audit firm issued a management letter.

Accordingly, we are not making any recommendations.

During our desk review, we noted several minor issues which the audit firm will need to address in future audit reports. We presented these issues in a memo to the controller, dated July 14, 2022.

OIG does not routinely distribute independent public accounting reports beyond the immediate addressees because a high percentage of these reports contain information restricted from release under the Trade Secrets Act, 18 U.S.C. 1905 and Freedom of Information Act Exemption Four, 5 U.S.C. 552(b)(4) ("commercial or financial information obtained from a person that is privileged or confidential").

¹ We reviewed the audit firm's report for conformity with professional reporting standards. Our desk reviews are typically performed to identify any items needing clarification or issues requiring management attention. Desk reviews are limited to review of the audit report itself and excludes review of the auditor's supporting working papers; they are not designed to enable us to directly evaluate the quality of the audit performed.