



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: November 16, 2023

TO: USAID/Rwanda, Mission Director, Jonathan Kamin

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

SUBJECT: Financial Audit of USAID Resources Managed by Society of Women Against AIDS in Africa in Burundi Under Multiple Awards, January 1 to December 31, 2022 (Report No. 4-695-24-032-R)

This memorandum transmits the final audit report on USAID resources managed by Society of Women Against AIDS in Africa (SWAA) Burundi under the following awards:

Award Name (Type)	Award Number	Audit Period	Prime Implementer
Urisanze Activity (cooperative agreement)	72069522CA00002	Jul. 19 – Dec. 31, 2022	
Epidemiologic Control (EpiC) Pproject (subaward) - closeout	1297.0039	Jan. 1 – Jun. 30, 2022	Family Health International (FHI360)
Reaching AIDS Free Generation (RAFG) (subaward)	1199.0063/1199.0084/ 1199.0103	Jan. 1 – Dec. 31, 2022	FHI360
Reaching Impact Saturation Epidemic Control (RISE) project (subaward)	SBA-149	Jan. 1 – Dec. 31, 2022	ICAP

SWAA Burundi contracted with the independent audit firm DNR Partners CPA, Kigali, Rwanda to conduct the audit. The audit firm stated that it performed its audit in accordance with generally accepted government auditing standards. However, it did not have an external peer review or a continuing professional education program that fully satisfy the standards' requirements. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on SWAA Burundi's schedule of expenditures of USAID awards; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.¹

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.

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 SWAA Burundi's internal controls; (3) determine whether SWAA Burundi 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, DNR Partners CPA (1) audited the schedule of expenditures of USAID awards 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 SWAA Burundi as incurred from January 1 to December 31, 2022; (2) evaluated the control environment, the adequacy of the accounting systems, and control procedures that pertain to SWAA Burundi'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. SWAA Burundi reported expenditures of \$994,476 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 except for the lack of confirmations for funds received as a subawardee from one prime implementer. The audit firm identified \$6,216 in total questioned costs (\$1,709 ineligible and \$4,507 unsupported); one material weakness in internal control; and three instances of material noncompliance. Since the questioned costs did not meet the OIG's established threshold of \$25,000 for making a recommendation, we are not making a recommendation for the questioned costs and the specifically related instances of noncompliance. Nevertheless, we suggest that USAID/Burundi determine the allowability of the \$6,216 in questioned costs and recover any amount determined to be unallowable. In addition, although we are not making a recommendation for significant deficiencies noted in the report, we suggest that USAID/Rwanda determine if the recipient addressed the issues noted. The audit firm also issues a management letter.

During our desk review, we noted several areas for improvement which the audit firm should address in future audit reports. We presented these areas in a memo to the controller, dated November 16, 2023.

To address the issues identified in the report, we recommend that USAID/Rwanda:

Recommendation 1. Verify that Society of Women Against AIDS in Africa corrects the one material weakness in internal control detailed on pages 36 and 37 of the audit report and pages 27 to 28 of the management letter.

Recommendation 2. Verify that Society of Women Against AIDS in Africa corrects the one instance of material noncompliance detailed on page 40 of the audit report and pages 5 to 7 of the management letter.

We ask that you provide your written notification of actions planned or taken to reach

management decision.

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”). In addition, USAID OIG has determined that this transmittal memo and the enclosed report are not subject to notification and reporting requirements under Section 5274 of the National Defense Authorization Act.²

² The James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 Pub. L. No. 117-263, § 5274. Please direct related inquiries to oignotice_ndaa5274@usaid.gov.