



MEMORANDUM

DATE: November 16, 2020

TO: USAID/Southern Africa, Acting Mission Director, Rebecca Krzywda

FROM: USAID OIG Africa Regional Office, Assistant Director, Matthew Rathgeber /s/

SUBJECT: Financial Audit of USAID Resources Managed by Wits Health Consortium in Multiple Countries Under Multiple Awards, January 1 to December 31, 2019 (Report No. 4-674-21-010-R)

This memorandum transmits the final audit report on USAID resources managed by Wits Health Consortium (WHC) under multiple awards in multiple countries, which are listed in the attached appendix I. WHC contracted with the independent certified public accounting firm PricewaterhouseCoopers (PwC), Johannesburg, South Africa, 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 WHC's fund accountability statement; 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 fund accountability statement for the period audited, was presented fairly, in all material respects; (2) evaluate WHC's internal controls; (3) determine whether WHC 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, PwC (1) audited the fund accountability statement 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 WHC as incurred from January 1 to December 31, 2019; (2) evaluated the control environment, the adequacy of the accounting systems, and control procedures that pertain to WHC's ability to report financial data consistent with the assertions embodied in each account of the fund accountability

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.

statement; (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 fund accountability statement; (4) reviewed the indirect cost rate; and (5) reviewed the implementation status of the prior period recommendations. WHC reported expenditures of \$66,562,776 in USAID funds during the audited period.

The audit firm concluded the fund accountability statement presented fairly, in all material respects, program revenues and costs incurred under the awards for the period audited. The audit firm identified \$87,339 in total questioned costs (\$2,030 ineligible and \$85,309 unsupported); no material weaknesses in internal control; and no instances of material noncompliance. Although we are not making a recommendation for significant deficiencies noted in the report, we suggest that USAID/Southern Africa determine if the recipient addressed the issues noted. The audit firm also issued a management letter.

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 November 16, 2020.

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

Recommendation I. Determine the allowability of \$87,339 in questioned costs (\$2,030 ineligible, \$85,309 unsupported) on pages 23 and 44 of the audit report and recover any amount that is unallowable.

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”).

Appendix I - Award List

No.	Agreement Number	Agreement Type
1	72067418CA00006 (BEAT TB)	USAID Prime Agreement
2	AID-674-A-15-00013 (EGRS)	USAID Prime Agreement
3	AID-OAA-A-15-00069 (WRHI - ART DR)	USAID Prime Agreement
4	72067419CA00004 (Hero-EVIDENCE)	USAID Prime Agreement
5	72067419CA00001 (WRHI SCHOOLS PROJECT)	USAID Prime Agreement
6	72067418CA00027 (WRHI Key Pops)	USAID Prime Agreement
7	72067418CA00019 (WRHI APACE)	USAID Prime Agreement
8	72067418CA00025 (Match APACE) – (closeout)	USAID Prime Agreement
9	WRHI Sub Agreement UWSC8514 Under AID-OAA-A- 15-00034 (WRHI-POWER) – in Kenya and South Africa	Subaward Under University of Washington
10	AID-OAA-A-15-00031, MATCH-GEMS – (closeout)	Subaward Under University of Pittsburg
11	POP Sub Agreement Under OAA-A-14-00060 – AGINCOURT SOAR (closeout)	Subaward Under the Population Council (POP)
12	POP Sub Agreement SH 1607 (MATCH – POP) – (closeout)	Subaward Under POP
13	72067419CA00008 (WRHI EZINTSHA-EPIC)	Subaward Under South African HIV Clinicians Society
14	WRHI Sub Agreement 4-312-0214924-52383L Under AID-OAA-A-15-00032 (WRHI-CHARISMA)	Subaward Under RTI
15	RTC Sub Agreement RTC MATCH EQUIP Under OAA-A-15-00070 – (closeout)	Subaward Under RTC
16	RTC Sub Agreement RTC-DMMH- EQUIP Under AID-OAA-A-15-00070	Subaward Under RTC
17	HERO-EQUIP Under AID-OAA-A-15-00070	Subaward Under RTC
18	JSI Sub Agreement 37188-1089 Under S-LMAQM-16-CA1103 (Match Dreams) – (closeout)	Subaward Under JSI
19	CHRU Durban Stream, ISRCTN 7837210:	Subaward Under International Union Against Tuberculosis and Lung Disease
20	CHRU HJH Stream II, GHN-A-00-08-00004-00: Protocol No: ISRCTN 78372190	Subaward Under International Union Against Tuberculosis and Lung Disease
21	CSA1008 (MATCH – IPM) – (closeout)	Subaward Under International Partnership for Microbicides
22	IAVI Agreement Number 8746 (Lynn-IAVI)	Subaward Under International AIDS Vaccine Initiative (IAVI)
23	Task Order 8701/8558 (CLS-IAVI)	Subaward Under IAVI
24	AID-OAA-A-15-00045, PO19000013, (MatCH LARC)	Subaward Under FHI360
25	AID-OAA-A-15-00045, PO18003357 (Echo Trial Commercial City) – (closeout)	Subaward Under FHI360
26	AID-OAA-A-15-00045, PO16000194, (Echo Trial - Edenvale) – (closeout)	Subaward Under FHI360

27	AID-612-C-16-005, I02267.001.001.009, (SBCC-FHI) in Malawi	Subaward Under FHI360
28	AID-OAA-A-15-00035, I5004188, (WRHI - OPTIONS)	Subaward Under FHI360
29	USAID – EMSA – 17-0005 (MATCH – VOGUE) – (closeout)	Subaward Under CONRAD/EVMS
30	72067419CA00024, BRHC-SA 18/003, (WRHI-BROADREACH)	Subaward Under BroadReach Healthcare (Pty) Ltd
31	AID-OAA-A-14-00029, Aurum- PHRU – (closeout)	Subaward Under Aurum Institute (NPC)
32	72067418CA00019, ESRU-ANOVA	Subaward Under ANOVA Health Institute
33	72067418CA00023, WRHI-ANOVA	Subaward Under ANOVA Health Institute
34	OOA-A-16-00031, WRHI-AVAC	Subaward Under Aids Vaccine Advocacy Coalition (AVAC)
35	GHN-A-00-08-00004-00, S2WITSPE	Subaward Under Vital Strategies