



# OFFICE OF INSPECTOR GENERAL

## U.S. Agency for International Development

### MEMORANDUM

**DATE:** April 19, 2022

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

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

**SUBJECT:** Financial Audit of USAID Resources Managed by Centre for Communication Impact in South Africa Under Multiple Awards, July 1, 2020, to June 30, 2021 (Report No. 4-674-22-048-R)

This memorandum transmits the final audit report on USAID resources managed by Centre for Communication Impact (CCI) under the following awards:

Award Name (Type)	Award Number	Audit Period	Prime Implementer
Community Based Comprehensive HIV Prevention Counselling and Testing Program (cooperative agreement)	AID-674-A-14-00012	Jul. 1, 2020 – Jun. 30, 2021	
Local Governance to Improve Gender Based Violence Response Project (cooperative agreement)	72067418CA00008	Jul. 1, 2020 – Jun. 30, 2021	
Subaward under Johns Hopkins University (closeout)	AID-OAA-A-17-00017	Jul. 1 – Dec. 31, 2020	Johns Hopkins University (JHU)

CCI contracted with the independent certified public accounting firm BDO South Africa Incorporated (BDO), Cape Town, 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 CCI's schedule of expenditures of USAID awards; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.<sup>1</sup>

The audit objectives were to (1) express an opinion on whether the schedule of expenditures

<sup>1</sup> 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.

of USAID awards for the period audited, was presented fairly, in all material respects; (2) evaluate CCI's internal controls; (3) determine whether CCI 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, BDO (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 CCI as incurred from July 1, 2020, to June 30, 2021; (2) evaluated the control environment, the adequacy of the accounting systems, and control procedures that pertain to CCI'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. CCI reported expenditures of \$8,729,132 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 separate management letter.

Accordingly, we are not making any recommendations.

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").