



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: January 16, 2024

TO: USAID/Zimbabwe, Mission Director, Janean Davis

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

SUBJECT: Financial Audit of USAID Resources Managed by Family Aids Caring Trust in Zimbabwe Under Multiple Awards, January 1, 2022, to March 31, 2023 (Report No. 4-613-24-055-R)

This memorandum transmits the final audit report on USAID resources managed by Family Aids Caring Trust (FACT) under the following awards:

Award Name (Type)	Award Number	Audit Period	Prime Implementer
Children Tariro Project (cooperative agreement) - closeout	AID-613-A-15-00005	Jan. 1, 2022 – Mar. 31, 2023	
Support, Maintain, Advocate, Reduce Risk and Transform (SMART) Girls Project (cooperative agreement)	72061322CA00001	Feb. 15, 2022 – Mar. 31, 2023	
Sustaining Prevention, Care and Support Services for Orphans and Vulnerable Children (SPACE) (OVC) (cooperative agreement)	72061322CA00006	Oct. 1, 2022 – Mar. 31, 2023	
Going The Last Mile for HIV Control (subaward)	72061318CA00009	Jan. 1, 2022 – Mar. 31, 2023	Population Services International
Mhuri/Imuli Project (subaward)	72061318CA00008	Jan. 1, 2022 – Mar. 31, 2023	Family Health International (FHI-360)

FACT contracted with the independent audit firm Ralph Bomment, Greenacre and Reynolds, Bulawayo, Zimbabwe 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 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 FACT'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 FACT's internal controls; (3) determine whether FACT 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, Ralph Bomment, Greenacre and Reynolds (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 FACT as incurred from January 1, 2022, to March 31, 2023; (2) evaluated the control environment, the adequacy of the accounting systems, and control procedures that pertain to FACT'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. FACT reported expenditures of \$15,069,601 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 \$181,715 in ineligible questioned costs; no material weaknesses in internal control; and no instances of material noncompliance.

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 January 16, 2024.

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

Recommendation I. Determine the allowability of \$181,715 in ineligible questioned costs on pages 13 to 15 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"). In addition, USAID OIG has determined that this

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.

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.