



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: June 4, 2024

TO: USAID/Tanzania, Mission Director, Craig Hart

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

SUBJECT: Financial Audit of USAID Resources Managed by Ifakara Health Institute in Tanzania Under Multiple Awards, July 1, 2022, to June 30, 2023 (Report No. 4-621-24-092-R)

This memorandum transmits the final audit report on USAID resources managed by Ifakara Health Institute (IHI) under the following awards:

Award Name (Type)	Award Number	Audit Period	Prime Implementer
USAID Shinda Malaria Project (cooperative agreement)	72062122CA00007	Aug. 5, 2022 – Jun. 30, 2023	
Dhibiti Malaria Activity (subaward)	4707-IHI-23JAN23	Jan. 23 – Jun. 30, 2023	Population Services International
Crimean-Congo Hemorrhagic Fever Ecology (subaward)	A23-2465-S002	Sep. 1, 2022 – Jun. 30, 2023	The Regents of the University of California
Monitoring and Evaluation to Assess and use Results Evaluation Phase IV Project (subaward)	AID-OAA-L-14-004	Jul. 1, 2022 – Jun. 30, 2023	University of North Carolina
Tuberculosis and Family Planning Integrated Facility Solution Activity (subaward)	72062122CA00004	Jul. 1, 2022 – Jun. 30, 2023	Tanzania Health Promotion Services

IHI contracted with the independent audit firm Deloitte & Touche, Dar es Salaam, Tanzania to conduct the audit. The audit firm stated that it performed its audit in accordance with International Standards on Audit in conjunction 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 IHI'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 IHI's internal controls; (3) determine whether IHI 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 & Touche (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 IHI as incurred from July 1, 2022, to June 30, 2023; (2) evaluated the control environment, the adequacy of the accounting systems, and control procedures that pertain to IHI'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. IHI reported expenditures of \$2,464,637 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 auditors identified no questioned costs; no material weaknesses in internal control; and one instance of material noncompliance. In addition, although we are not making a recommendation for significant deficiencies noted in the report, we suggest that USAID/Tanzania determine if the recipient addressed the issues noted.

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

Recommendation 1. Verify that Ikakara Health Institute corrects the one instance of material noncompliance detailed on pages 62 to 63 of the audit report.

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

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.

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.