



# Non-Federal Audit Snapshot







## USAID OIG Africa Regional Office

Covering January – June 2024  
Report No. 4-000-24-002-A

USAID’s **non-Federal audit (NFA)** program helps ensure that contracts, cooperative agreements, and other foreign assistance awards meet Federal requirements. NFAs—financial audits typically performed by independent public accounting firms—help safeguard taxpayer dollars. USAID OIG reviews NFA reports for compliance with government auditing reporting standards and transmits the reports and recommendations to USAID. Learn more in the [NFA Primer](#).

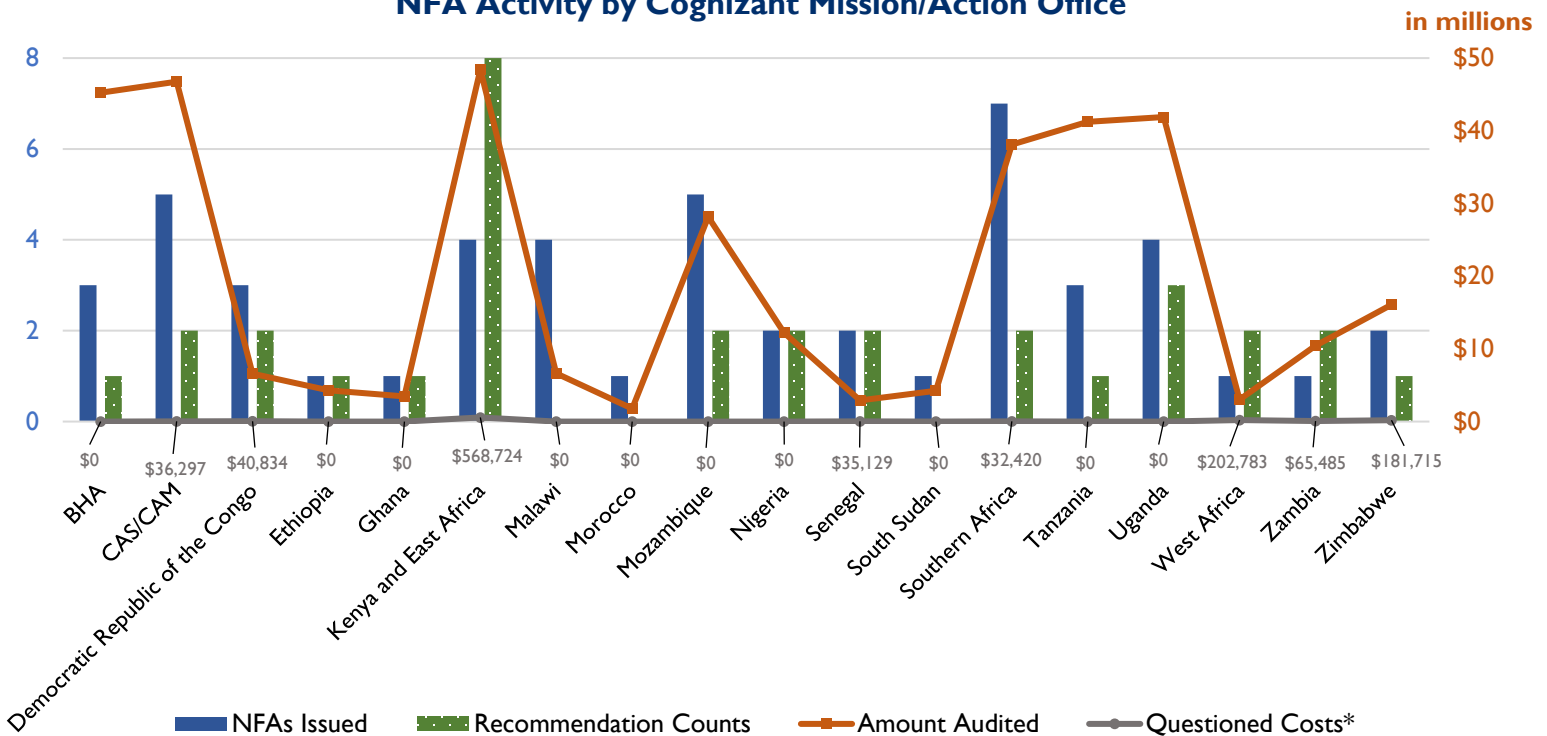
This **NFA Snapshot** highlights program data, audit findings, and recommendations in NFA reports transmitted by USAID OIG’s Africa Regional Office from January 1 to June 30, 2024.

### By the Numbers: NFA Reports, Findings, and Recommendations

|   |   |                      |   |                        |                    |
|---|---|----------------------|---|------------------------|--------------------|
|  | NFAs Issued                                       | <b>50</b>            |  | Questioned Costs       | <b>\$1,163,387</b> |
|  | Amount Audited                                    | <b>\$361,521,534</b> |  | Recommendations Issued | <b>32</b>          |
|  | Findings: Material Weaknesses in Internal Control | <b>7</b>             |  | Findings: Compliance   | <b>30</b>          |

- Audited expenditures pertained to USAID programs through 13 USAID country missions, the regional missions for Kenya and East Africa (attributed mostly to Kenya programs), Southern Africa (attributed mostly to South Africa programs), and West Africa, as well as USAID’s Contract Audit Management Branch (USAID/M/OAA/CAS/CAM) and USAID’s Bureau for Humanitarian Assistance (BHA).

### NFA Activity by Cognizant Mission/Action Office



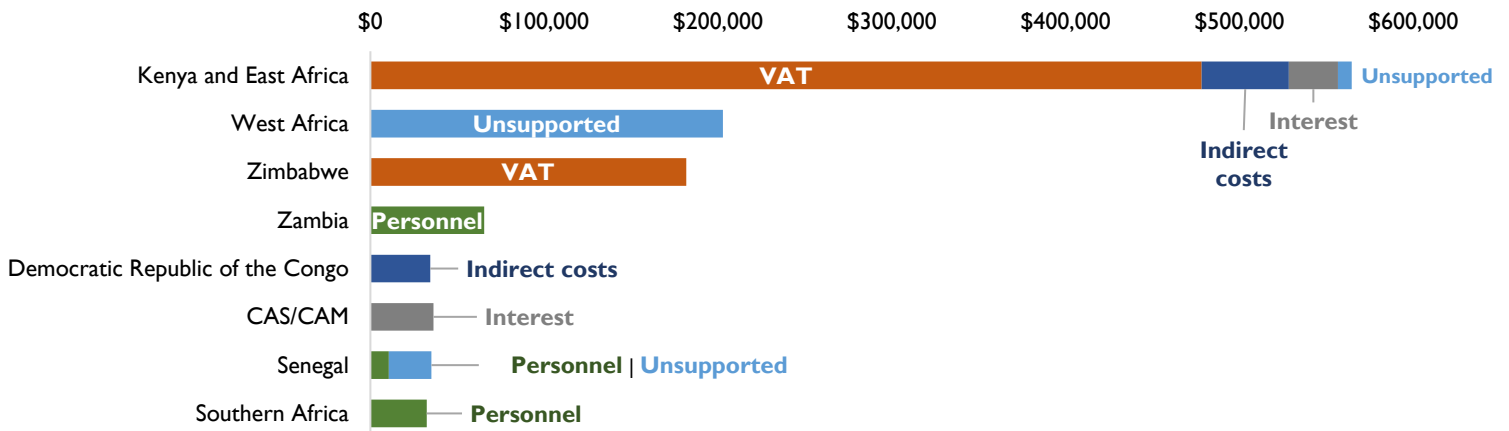
\*Note: Questioned Costs amounts are as shown.

### Drill Down: NFA Findings Detail

NFA report findings and recommendations address breakdowns in internal control and compliance with laws, regulations, and award terms. Examples of findings included in Africa Regional Office NFA reports issued during this period include accounting errors, indirect cost rate issues, Value Added Tax (VAT) and other tax noncompliance, cost share contribution issues, lack of supporting documentation, procurement matters, and unremitted interest.

Questioned costs identified in these NFA reports mostly related to VAT noncompliance, overcharge of indirect costs or personnel costs, unremitted interest, and unsupported costs.

#### Nature of Questioned Costs



Source: OIG-generated chart.

#### By the Numbers: OIG Desk Reviews

|  |  |    |  |  |     |
|--|--|----|--|--|-----|
|  | NFAs Reviewed                              | 50 |  | Independent Public Accounting Firms that Performed NFAs  | 31  |
|  | NFA Reports Rejected and Returned to USAID | 0  |  | Supplementary “Memos of Review Comment” Issued           | 36  |
|  | Audit reports overdue on June 30, 2024     | 13 |  | Planned audit reports to receive up until end of FY 2024 | 100 |

- USAID OIG reviews NFA reports for key attributes, including adherence to professional standards, completeness, and compliance with required formats. OIG rejects noncompliant reports and returns them to USAID for consideration prior to acceptance.
- Seventeen of the 50 Africa Regional Office NFA reports issued during this period did not comply with updated Statement on Auditing Standards 134 requirements, which would typically warrant rejection. USAID OIG brought the matter to USAID’s attention and agreed to pause such rejections while USAID updated guidance.
- Supplementary Memos of Review Comment (MRCs) describe nonmaterial errors for the auditors to correct in future NFA reports. The MRCs issued this period noted that the auditors did not report on generally accepted government auditing standards departures, used outdated criteria, did not indicate if interest was earned and remitted to USAID, and did not explain the overcharge of indirect costs due to the incorrect calculation of Modified Total Direct Costs when applying the de minimis rate.

USAID OIG’s Africa Regional Office provides independent audit oversight of USAID programs across 50 countries in sub-Saharan Africa from its offices in Pretoria, South Africa, and Dakar, Senegal.

We conducted this work under the Council of the Inspectors General for Integrity and Efficiency’s *Quality Standards for Federal Offices of Inspector General*.