



OFFICE OF INSPECTOR GENERAL U.S. Agency for International Development

MEMORANDUM

DATE: January 30, 2025

TO: USAID/Ethiopia, Mission Director, Scott Hocklander
USAID/Kenya and East Africa, Mission Director, David Gosney
USAID/Malawi, Mission Director, Pamela Fessenden

FROM: USAID OIG Africa Regional Office, Audit Director, Ryan Werner /s/

SUBJECT: Financial Audit of USAID Resources Managed by Amref Health Africa in Multiple Countries Under Multiple Awards, January 1 to December 31, 2023 (Report No. 4-663-25-051-R)

This memorandum transmits the final audit report on USAID resources managed by Amref Health Africa in multiple countries under multiple awards listed in Appendix I attached. Amref Health Africa contracted with the independent audit firm Deloitte & Touche LLP, Nairobi, Kenya to conduct the audit. The audit firm stated that it performed its audit in accordance with generally accepted government auditing standards (GAGAS) and auditing standards generally accepted in the United States of America (GAAS). 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 Amref Health Africa'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 Amref Health Africa's internal controls; (3) determine whether Amref Health Africa 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 LLP (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

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.

reported by Amref Health Africa as incurred from January 1 to December 31, 2023; (2) evaluated the control environment, the adequacy of the accounting systems, and control procedures that pertain to Amref Health Africa'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) reviewed the indirect cost rate; and (5) reviewed the implementation status of the prior period recommendations. Amref Health Africa reported expenditures of \$34,818,870 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 \$56,456 in ineligible questioned costs; no material weaknesses in internal control; and 1 instance of material noncompliance (a repeat finding from the prior period). The audit firm also issued a management letter.

To address the issues identified in the report, we recommend that USAID/Kenya and East Africa:

Recommendation 1. Determine the allowability of \$56,456 in ineligible questioned costs on pages 31, 32, and 37 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 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.

Appendix I

Award Name (Type)	Award Number	Period Audited	Prime Implementer
Integrated Youth Activity (IYA) – Kefeta in Ethiopia (cooperative agreement)	72066321CA00001	Jan. 1 – Dec. 31, 2023	
Uongozi wa Afya Thabiti in Kenya (cooperative agreement)	72061523CA00003	Apr. 12 – Dec. 31, 2023	
Transform – Health in Developing Regions in Ethiopia (cooperative agreement)	AID-663-A-17-00006	Jan. 1 – Dec. 31, 2023	
Imarisha Jamii in Kenya (cooperative agreement)	72061521CA00003	Jan. 1 – Dec. 31, 2023	
MOMENTUM Tikweze Umoyo Activity in Malawi (cooperative agreement)	72061222CA00007	Jan. 1 – Dec. 31, 2023	
Subaward - CORE Group Polio Project (CGPP) in Ethiopia	AID-OAA-A-17-00026	Jan. 1 – Dec. 31, 2023	World Vision, Inc.
Subaward – Health Workforce Improvement Program (HWIP) in Ethiopia	72066320CA00008	Jan. 1 – Dec. 31, 2023	JHPIEGO
Subcontract - Western Kenya Sanitation Project (WKSP)	72061522C00001	Jan. 1 – Dec. 31, 2023	Research Triangle Institute (RTI)
Subaward – Knowledge Success in Kenya	720OAA19CA00001	Jan. 1 – Dec. 31, 2023	Johns Hopkins University
Subaward - Stawisha Pwani Project in Kenya	72061521CA00010	Jan. 1 – Dec. 31, 2023	LVCT Health
Subaward - Propel ADAPT Round 2 Activity in Kenya	720OAA22CA00031	Jan. 1 – Dec. 31, 2023	Action Against Hunger USA
Subaward – Core Group Partners Project in Djibouti	AID-OAA-A-17-00026-AMREF	Mar. 1 – Dec. 31, 2023	World Vision, Inc.
Subcontract – Family Planning 2030 (FP2030)	720OAA22CA00030	Jan. 1 – Dec. 31, 2023	United Nations Foundation, Inc (UNF)