



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: March 19, 2025

TO: USAID/Zimbabwe, Mission Director, Janean Davis

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

SUBJECT: Financial Audit of USAID Resources Managed by an Implementer in Zimbabwe Under Cooperative Agreement 72061321CA00008, September 23, 2021, to September 30, 2023 (Report No. 4-613-25-070-R)

This memorandum transmits the final audit report on USAID resources managed by an implementer in Zimbabwe. The implementer contracted with the independent audit firm Bakertilly, Harare, 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 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 the implementer'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 the implementer's internal controls; and (3) determine whether the implementer complied with award terms and applicable laws and regulations.

To answer the audit objectives, Bakertilly (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 the implementer as incurred from September 23, 2021, to September 30, 2023; (2) evaluated the control environment, the adequacy of the accounting systems, and control procedures that pertain to the implementer's ability to report financial data consistent with the assertions embodied in each account of the schedule of expenditures of USAID awards; and (3) identified the award

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.

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. The implementer reported expenditures of \$1,880,466 in USAID funds during the audited period. The implementer also received funds as a subrecipient and incurred expenses of \$176,991 for the period October 2022, through December 2023 not audited and not included in this report.

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 except for \$101,722 in unsupported questioned costs. The audit firm identified no material weaknesses in internal control; and four instances of material noncompliance.

During our desk review, we noted one area for improvement which the audit firm should address in future audit reports. We presented this area in a memo to the controller, dated March 19, 2025.

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

Recommendation 1. Determine the allowability of \$101,722 in unsupported questioned costs identified on pages 14, 15, and 20 of the audit report.

Recommendation 2. Verify that the implementer corrects the four instances of material noncompliance identified on pages 13, 20, through 22 of the audit report.

We ask that you provide 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 oinotice_ndaa5274@usaid.gov.