



# OFFICE OF INSPECTOR GENERAL

## U.S. Agency for International Development

### MEMORANDUM

**DATE:** March 20, 2025

**TO:** USAID/Southern Africa, Mission Director, Leslie Marbury

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

**SUBJECT:** Financial Audit of USAID Resources Managed by The Aurum Institute NPC in South Africa Under Multiple Awards, January 1 to December 31, 2023 (Report No. 4-674-25-079-R)

This memorandum transmits the final audit report of USAID resources managed by The Aurum Institute NPC (Aurum) under the following awards:

Award Name (Type)	Award Number	Audit Period	Prime Implementer
Accelerating TB Elimination and Program Resilience in High Burden Areas of South Africa (ACCELERATE I) (cooperative agreement)	72067423CA00003	Jan. 1 – Dec. 31, 2023	
Accelerating Development Against Pandemic Threats (ADAPT) (subaward, closeout)	72067422D00002	Jan. 1 – Nov. 14, 2023	Right to Care
Diagnostic Network Assessment Logistics (DNA Logistics) (subaward; closeout)	66506TAI202302	Feb. 13 – Mar. 31, 2023	THINK Tuberculosis and HIV Investigative Network NPC
Local Organisation Network (LON) - Safeguarding Advances in TB Prevention and Care by Strengthening the TB Healthcare Platform Program (SAFT) in South Africa (TB LON EXT) (subaward; closeout)	72067419CA00013	Jan. 1 – Dec. 31, 2023	THINK Tuberculosis and HIV Investigative Network NPC
Microbicide R&D to Advance HIV Prevention Technologies Through Responsive Innovation and Excellence (MATRIX) (subaward)	7200AA22CA00002	Jan. 1 – Dec. 31, 2023	Magee-Women's Research Institute and Foundation
HIV Vaccine and Biomedical Prevention Research (HVBPR) Project – Objective 1 and 2 (subaward)	AID-OAA-A-16-00032	Jan. 1 – Dec. 31, 2023	International AIDS Vaccine Initiative (IAVI)

Aurum contracted with the independent audit firm Nexia SAB&T Centurion, South Africa 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 Aurum's schedule of expenditures of USAID awards; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.<sup>1</sup> 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 Aurum's internal controls; (3) determine whether Aurum 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, Nexia SAB&T (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 Aurum as incurred from January 1 to December 2023; (2) evaluated the control environment, the adequacy of the accounting systems, and control procedures that pertain to Aurum'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) determined that reviewed the implementation status of the prior period recommendations was not required. Aurum reported expenditures of \$3,731,552 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 no questioned costs; no material weaknesses in internal control; and no instances of material noncompliance.

Accordingly, we are not making any recommendations.

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.<sup>2</sup>

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<sup>1</sup> 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.

<sup>2</sup> 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](mailto:oignotice_ndaa5274@usaid.gov).