



# OFFICE OF INSPECTOR GENERAL

## U.S. Agency for International Development

### MEMORANDUM

**DATE:** March 24, 2025

**TO:** USAID Power Africa, Acting Coordinator, Tsholofelo Rametsi

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

**SUBJECT:** Financial Closeout Audit of USAID Resources Managed by Tony Blair Institute in Multiple Countries Under Cooperative Agreement AID-623-A-14-0001, January 1, 2023, to March 4, 2024 (Report No. 4-698-25-087-R)

This memorandum transmits the final audit report on USAID resources managed by Tony Blair Institute (TBI) for the Power Africa Senior Advisory Group Project – East, Western, and Sub-Saharan Africa, cooperative agreement AID-623-A-14-00001. TBI contracted with the independent audit firm HaysMac LLP, London, United Kingdom to conduct the audit. The audit firm stated that it performed its audit in accordance with generally accepted government auditing standards. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on TBI'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 TBI's internal controls; (3) determine whether TBI 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, HaysMac 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 reported by TBI as incurred from January 1, 2023, to March 4, 2024; (2) evaluated the control environment, the adequacy of the accounting systems, and control procedures that pertain to TBI'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

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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.

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. TBI reported expenditures of \$3,073,737 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 except for \$41,552 total questioned costs (\$41,032 ineligible; \$520 unsupported). The audit firm identified no material weaknesses in internal control; and no instances of material noncompliance. The audit firm also identified a shortfall of \$6,673 in cost share contributions. In addition, although we are not making a recommendation for the significant deficiency noted in the report, we suggest that USAID Power Africa determine if the recipient addressed the issue noted. The audit firm also issued a management letter as part of the audit report.

During our desk review, we noted several areas for improvement which the audit firm should address in future audit reports. We presented these areas in a memo to controller, dated March 24, 2025.

To address the issues identified in the report, we recommend that USAID Power Africa:

**Recommendation 1.** Determine the allowability of \$41,552 in questioned costs (\$41,032 ineligible, \$520 unsupported) on pages 11, 13, and 20 to 25 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.<sup>2</sup>

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<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).