



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

MEMORANDUM

DATE: April 16, 2025

TO: USAID/Kenya and East Africa, Acting Mission Director, Sheila Roquitte

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

SUBJECT: Financial Audit of USAID Resources Managed by Moi University College of Health Sciences in Kenya Under Multiple Awards, July 1, 2023, to June 30, 2024 (Report No. 4-615-25-100-R)

This memorandum transmits the final audit report on USAID resources managed by Moi University College of Health Sciences (MUCHS) for the following awards:

Award Name (Type)	Award Number	Audit Period	Prime Implementer
USAID 4TheChild Program (cooperative agreement)	72061521CA00008	Jul. 1, 2023 – Jun. 30, 2024	
U.S. President's Malaria Initiative (PMI EPIC) (subaward)	AID.574718_01724905-SUB	Oct. 1, 2023 – Jun. 30, 2024	PATH
Climate Change Adaptation Research in Africa Program (CARP) (subaward)	720FDA2OCA00006	Jul. 31, 2023 – Jun.30, 2024	Stellenbosch University

MUCHS contracted with the independent audit firm PricewaterhouseCoopers LLP, Nairobi, Kenya 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 MUCHS'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 MUCHS's internal controls; (3) determine whether MUCHS complied with 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 applicable laws and regulations; (4) review of cost-share; (5) review the indirect cost rate; and (6) review the implementation status of the prior period recommendations.

To answer the audit objectives, PricewaterhouseCoopers 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 MUCHS as incurred from July 1, 2023, to June 30, 2024; (2) evaluated the control environment, the adequacy of the accounting systems, and control procedures that pertain to MUCHS'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 cost-share requirement; (5) reviewed the indirect cost rate; and (6) reviewed the implementation status of the prior period recommendations. MUCHS reported expenditures of \$5,027,423 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 \$14,775 in ineligible questioned costs; no material weaknesses in internal control; and two instances of material noncompliance (which relates to the questioned costs). Since the questioned costs did not meet the OIG's established threshold of \$25,000 for making a recommendation, we are not making a recommendation for the questioned costs and the two instances of material noncompliance specifically related to the questioned costs. Nevertheless, we suggest that USAID/Kenya and East Africa determine the allowability of the \$14,775 in ineligible questioned costs and recover any amount determined to be unallowable. In addition, although we are not making a recommendation for significant deficiencies noted in the report, we suggest that USAID/Kenya and East Africa determine if the recipient addressed the issues noted.

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 the controller, dated April 16, 2025.

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.