



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: April 16, 2025

TO: USAID/Tanzania, Mission Director, Craig Hart

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

SUBJECT: Financial Audit of USAID Resources Managed by Vodafone Foundation in Tanzania Under Cooperative Agreement 72062123CA00002, April 1, 2023, to March 31, 2024 (Report No. 4-621-25-092-R)

This memorandum transmits the final audit report on USAID resources managed by Vodafone Foundation under M-mama activity. Vodafone Foundation contracted with the independent audit firm Forvis Mazars, Dar es Salaam, Tanzania to conduct the audit. The audit firm stated that it performed its audit in accordance with International Standards on Auditing in conjunction with U.S 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 Vodafone Foundation'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 Vodafone Foundation's internal controls; (3) determine whether Vodafone Foundation 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, Forvis Mazars (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 Vodafone Foundation as incurred from April 1, 2023, to March 31, 2024; (2) evaluated the control environment, the adequacy of the accounting systems, and control procedures that pertain to Vodafone Foundation'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

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; (4) determined that the review of the indirect cost rate was not applicable; and (5) determined that the review of the implementation status of the prior period recommendations was not applicable. Vodafone Foundation reported expenditures of \$2,888,895 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 reported \$1,280 in ineligible total questioned costs; no material weaknesses in internal control; and one instance 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 one instance of material noncompliance specifically related to the questioned costs. Nevertheless, we suggest that USAID/Tanzania determine the allowability of the \$1,280 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/Tanzania determine if the recipient addressed the issues noted.

Accordingly, we are not making any recommendations.

During our desk review, we noted an area for improvement which the audit firm should address in future audit reports. We presented this area 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.