



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

### MEMORANDUM

**DATE:** May 12, 2025

**TO:** USAID/Uganda, Controller, Waheed Imam

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

**SUBJECT:** Financial Audit of USAID Resources Managed by Infectious Diseases Institute Limited in Uganda Under Multiple Awards July 1, 2023, to June 30, 2024 (Report No. 4-617-25-103-R)

We have reviewed the subject audit report, which was issued by KPMG, Kampala, Uganda. The auditors reported that this audit was conducted in accordance with generally accepted government auditing standards (GAGAS), issued by the U.S. Comptroller General and International Standards on Auditing, except that the audit firm did not have continuing professional education and external peer review programs that fully satisfied the requirements set forth in GAGAS. However, our review identified some matters for your consideration in future audit reports of USAID-funded programs.

1. Infectious Diseases Institute Limited (IDI) elected to apply the de minimis rate of 10% as per 2CFR.200.414, however have charged indirect costs at 11.04% for Sub Agreement FY17-A04-6024. Where the de minimis rate was applied indirect costs can only be charge for up to 10% of modified total direct cost.
2. Agreement 72061722CA00003 LPHS-TB was authorized to charge a 10% de minimus indirect cost rate. However, our recalculation of these charges showed a Modified Total Direct Cost of 12.17% applied, resulting in a potential overcharge of \$55,427. Cumulative indirect costs were also over charged and amounts determined as overcharge in the prior period was \$35, 759 with a possible total cumulative overcharge of \$110,076.

Should you have any questions regarding any of the observations in this memorandum please contact us at [RIGPretoriaAuditAnswers@oig.usaid.gov](mailto:RIGPretoriaAuditAnswers@oig.usaid.gov).

cc: KPMG, Kampala, Uganda