



Non-Federal Audit Snapshot

USAID OIG Africa Regional Office

Covering January – June 2025
Report No. 4-000-25-002-A

USAID's **non-Federal audit (NFA)** program helps ensure that contracts, cooperative agreements, and other foreign assistance awards meet Federal requirements. NFAs—financial audits typically performed by independent public accounting firms—help safeguard taxpayer dollars. USAID OIG reviews the NFA reports for compliance with government auditing reporting standards and transmits the reports and recommendations to USAID. Learn more in the [NFA Primer](#).

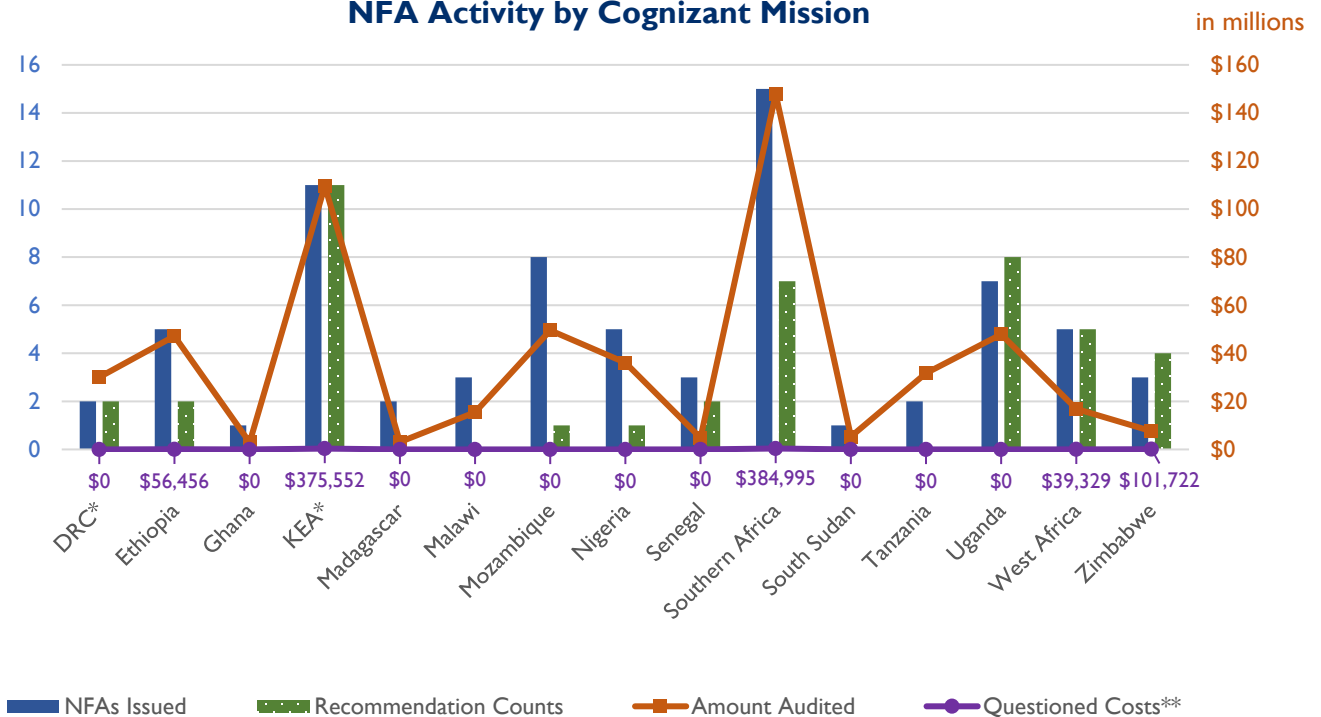
This **NFA Snapshot** highlights program data, audit findings, and recommendations in NFA reports that USAID OIG's Africa Regional Office transmitted from January 1 to June 30, 2025.

By the Numbers: NFA Reports, Findings, and Recommendations

	NFAs Issued	73		Questioned Costs	\$958,054
	Amount Audited	\$555,826,266		Recommendations Issued	43
	Findings: Material Weaknesses in Internal Control	26		Findings: Compliance	70

- Audited expenditures pertained to USAID programs through 12 USAID country missions and the regional missions for Kenya and East Africa (attributed mostly to Kenya programs), Southern Africa (attributed mostly to South Africa programs and one report for Power Africa), and West Africa.

NFA Activity by Cognizant Mission



Source: OIG-generated chart.

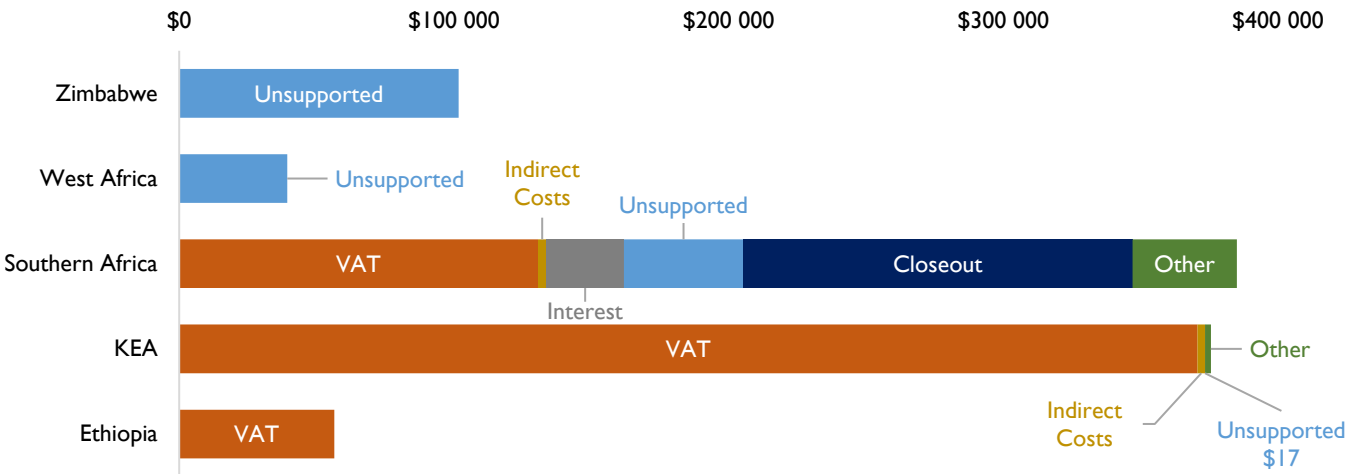
*Democratic Republic of the Congo (DRC) and Kenya & East Africa (KEA)

** Questioned Costs amounts are shown in thousands.

Drill Down: NFA Questioned Costs

Questioned costs identified in these NFA reports mostly related to Value Added Tax (VAT) noncompliance, overcharge of indirect costs, unremitted interest, closeout noncompliance, and unsupported costs.

Nature of Questioned Costs



Source: OIG-generated chart.

USAID OIG reviews NFA reports for key attributes including adherence to professional standards, completeness, and compliance with required formats. USAID OIG rejects noncompliant reports and returns them to USAID. Supplementary Memos of Review Comment (MRCs) describe nonmaterial errors for the auditors to correct in future NFA reports.

By the Numbers: OIG Desk Reviews



Independent Public Accounting Firms That Performed NFAs

47



NFA Reports Rejected and Returned to USAID

2



Supplementary “Memos of Review Comment” Issued

45

- Of the two reports that we rejected, we received a revised version for one. However, USAID did not submit a revised report for the other.
- The MRCs issued this period mostly noted that the auditors (1) did not report on generally accepted government auditing standards departures, (2) included casting and calculation errors in the audit report, (3) did not calculate indirect costs correctly or did not report on indirect costs issues identified, (4) classified findings inconsistently throughout the audit report and accompanying management letters issued, and (5) did not comply with updated Statement on Auditing Standards No. 134 requirements.

By the Numbers: Open Recommendations and Overdue Audit Reports

	Open Recommendations for NFA Reports Issued During the Period	27		Open Recommendations Relating to Prior Periods NFA Reports	54
	Open-Questioned Costs Recommendations as of June 30, 2025	\$18,977,925		NFA Audit Reports Overdue as of June 30, 2025	19

USAID OIG’s Africa Regional Office provides independent audit oversight of USAID programs across 50 countries in sub-Saharan Africa from its offices in Pretoria, South Africa, and Dakar, Senegal. We conducted this work under the Council of the Inspectors General for Integrity and Efficiency’s *Quality Standards for Federal Offices of Inspector General*.