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

Terminated USAID Awards in Southern Africa: Unapproved Plans and Limited Controls Over Disposition Leave High-Value Assets at Risk

Audit Report 4-674-26-001-P
April 22, 2026

Audit

Office of Audits, Inspections, and Evaluations

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

DATE: April 22, 2026

TO: Eric Ueland
Performing the Duties of Administrator and Chief Operating Officer
U.S. Agency for International Development

FROM: Gabriele Tonsil /s/
Acting Assistant Inspector General for Audits, Inspections, and Evaluations

SUBJECT: Terminated USAID Awards in Southern Africa: Unapproved Plans and Limited Controls Over Disposition Leave High-Value Assets at Risk

This memorandum transmits our final audit report. Our audit objective was to assess USAID's disposition process for high-value assets procured under terminated awards in Southern Africa.

USAID did not provide a response to or comments on the draft report. Should we receive written comments from the Agency on this report at a later date, we will update and reissue the report to reflect the comments and technical changes as applicable.

The report contains two recommendations to improve USAID's Office of Award Terminations' process for disposing of assets for terminated awards in Southern Africa. We consider both recommendations open and unresolved. Please provide us with a management decision for each recommendation, including agreement or disagreement with the recommendation and a plan and target date for corrective action, copying the Audit Performance and Compliance Division.

We appreciate the assistance you and your staff provided to us during this audit.

Contents

Pursuant to Pub. L. No. 117-263 § 5274, USAID OIG provides nongovernmental organizations and businesses specifically identified in this report 30 days from the date of report publication to submit a written response to USAID OIG. Comments received will be posted on https://oig.usaid.gov/. Please direct inquiries to oignotice_ndaa5274@oig.usaid.gov.

Office of Inspector General
U.S. Agency for International Development

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Report in Brief

Why We Did This Audit

On January 20, 2025, Executive Order 14169 directed a government-wide pause and review of all of U.S. foreign assistance. As of March 2025, USAID had terminated over $76.5 billion out of a total of $159 billion (almost 50 percent) in foreign assistance awards. Executive Order 14204 separately suspended all U.S. foreign assistance to South Africa. As a result, implementers began preparing to dispose of government-funded assets.

In response to the award terminations, we initiated a series of audits examining asset disposition processes for eight USAID missions around the world. The objective of this audit was to assess USAID's disposition process for high-value assets procured under terminated awards in Southern Africa.

We reviewed all 51 programmatic awards with high-value assets USAID Southern Africa (USAID/SA) managed that were terminated between January 20 and April 9, 2025. We selected a judgmental sample of 16 of these awards and visited seven implementation sites to verify the presence of assets and assess the completeness of inventory lists. We reviewed asset disposition activities as of May 1, 2025, because access to implementing partner staff, office space, and physical assets was limited after this time.

What We Recommend

We made two recommendations to USAID to approve remaining asset disposition plans for USAID/SA awards and implement controls to verify high-value assets implementers purchased.

What We Found

USAID Southern Africa had not approved over half of implementer disposition plans for high-value assets and had limited controls in place to ensure inventory accuracy. In response to the extensive termination of foreign assistance programs, USAID/SA expedited the disposition of $28.7 million in assets implementers purchased for 51 terminated programmatic awards. As of May 1, 2025, 30 of 51 programmatic awards lacked approved disposition plans, leaving assets idle and at risk. Among the 16 selected awards we reviewed, implementers reported $15.1 million in purchased assets, which included 614 high-value assets, and mainly proposed to retain, donate, or sell the assets. The mission had approved implementers to dispose of only 94 assets. USAID/SA relied heavily on implementer-generated records and mission officials' program knowledge and performed little verification of inventory lists. This limited oversight contributed to discrepancies including missing assets in inventory lists. As a result, high-value assets procured under USAID/SA terminated awards were at risk of misappropriation, loss, or fraud.

Vehicle in Gauteng Province, South Africa.
Source: OIG photo taken during a site visit in April 2025.

Introduction

On January 20, 2025, the President issued Executive Order 14169, "Reevaluating and Realigning United States Foreign Aid," initiating a pause and review of all U.S. foreign assistance, including USAID programs. As of March 2025, USAID had terminated over $76.5 billion out of a total of $159 billion (almost 50 percent) in foreign assistance awards. In addition to the extensive termination of awards globally, Executive Order 14204, "Addressing Egregious Actions of the Republic of South Africa," specifically directed the suspension of all U.S. foreign assistance to South Africa.[1] As a result of the termination of awards, USAID implementers began preparing to dispose of government-funded assets, in accordance with award closeout procedures. On March 28, 2025, the Secretary of State announced that USAID would cease operating as an independent agency, and on July 1, 2025, the Department of State assumed responsibility for many of the Agency's functions and its ongoing programming. However, remaining USAID personnel are responsible for managing the closeout of its terminated awards and the wind-down of the Agency's independent operations.

In response to the award terminations and subsequent preparation for asset disposal, we initiated a series of audits examining these processes for eight USAID missions around the world. The objective of this audit was to assess USAID's disposition process for high-value assets procured under terminated awards in Southern Africa.[2]

To answer our audit objective, we identified 51 terminated programmatic awards out of a total of 87 terminated awards that the USAID Regional Mission for Southern Africa (USAID/SA)[3] managed. These awards were terminated between January 20 and April 9, 2025. The 51 awards had assets worth $28.7 million.[4] For these awards, we reviewed associated asset disposition activities and asset inventory lists through May 1, 2025. We established this date for the scope of the audit because access to implementing partner staff, office space, and physical assets was limited after this time due to the award terminations. We also reviewed Federal and USAID guidance related to asset disposition and award closeout. To determine whether USAID/SA disposed of assets in accordance with its process, we selected a judgmental sample of 16 of the 51 awards containing $15.1 million in high-value assets for further review.[5] We visited implementation sites for 7 of the 16 selected awards to verify the existence of selected physical assets and to assess the completeness of associated inventory lists. We performed inventory

[1] The White House, Executive Order 14204, *Addressing Egregious Actions of the Republic of South Africa*, February 7, 2025.

[2] The other seven audits cover USAID missions for Egypt, El Salvador, Haiti, Pakistan, the Philippines, Ukraine and the Regional Development Mission for Asia located in Thailand.

[3] USAID/SA was based in Pretoria, South Africa, and managed programs across multiple countries in Southern Africa. It was distinct from the bilateral USAID Mission in South Africa, which oversaw programs specific to that country.

[4] We considered these awards to have high-value assets since they had assets which met federal value thresholds for disposition. USAID and federal regulations require assets with a per unit purchase value of $500 or more for contracts and a per unit fair market value over $10,000 for grants and cooperative agreements to be disposed of through a formal disposition process.

[5] We selected high-value assets which had a purchase price over $10,000.

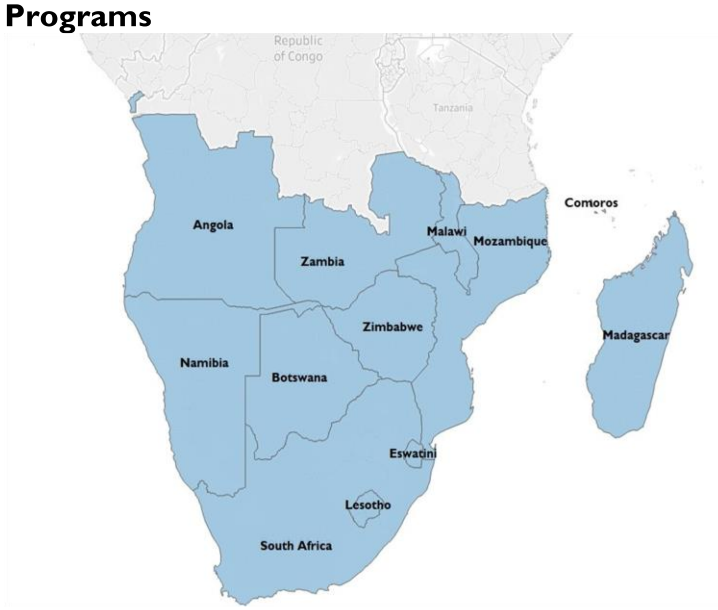
list completeness testing on the remaining awards using historical award information.[6] We also interviewed USAID/SA officials and implementing partner staff responsible for award management and asset oversight to obtain an understanding of the process they used to dispose of these assets. We conducted our work in accordance with generally accepted government auditing standards. Appendix A provides more detail on our scope and methodology.

Background

USAID missions around the world implemented humanitarian and development programs in their respective countries and regions. To implement these programs, the missions awarded grants, cooperative agreements, and contracts to implementers, who were responsible for executing activities aligned with strategic development objectives. In January 2025, USAID/SA was managing a portfolio of over 80 programmatic awards worth about $2.9 billion. These awards were primarily implemented across twelve countries in USAID/Southern Africa's area of responsibility (see Figure 1).

Over the course of an award, implementers may have procured physical assets, including vehicles and IT hardware, to support project objectives. For example, implementers in USAID/SA used mobile health clinics and fleets of vehicles to travel to rural areas to provide HIV/AIDS and tuberculosis treatment for patients. Awards typically lasted up to 5 years, during which time assets were expected to be used exclusively to support the authorized project. USAID missions were responsible for managing procurement and award functions for bilateral and regional programs.

Figure 1. Countries Where USAID/SA Managed Programs



Source: OIG analysis of USAID/SA documentation.

Asset Disposition Procedures

USAID missions initiated the closeout process when an award had been completed or was terminated. At that time, implementers were required to submit a final inventory, listing assets above applicable thresholds —known as a disposition or inventory list—and request disposition

[6] We were unable to complete testing on three of the nine remaining awards due to a lack of the necessary documentation.

instructions.[7] Federal regulations require implementers to submit disposition lists for assets with a per unit purchase value of $500 or more for contracts[8] and a per unit fair market value over $10,000 for grants and cooperative agreements.[9] USAID staff worked with the implementer to compile and validate this list. The implementer then submitted a proposed disposition plan to USAID, which was responsible for making the final determination to approve or disapprove the plan.

In line with Federal requirements, USAID policy listed options for asset disposition.[10] These options were:

1. Transfer to another USAID-funded program;
2. Retain for implementer use for other program uses within the country or region;[11]
3. Donate for other programmatic uses within the country or region, including to a host country government or local organization;
4. Redistribute within USAID for operational uses;
5. Transfer to another U.S. Government agency;
6. Sell to a third party.

USAID acquisition and assistance staff, including agreement officers and agreement officer's representatives, managed this process. The agreement officer's representatives were responsible for verifying asset inventories for disposition which the agreement officer reviewed and signed off.[12]

Additionally, upon award conclusion, USAID and Federal regulations may require an independent third party to conduct a closeout audit.[13] Closeout audits were final non-Federal audits, which typically included examining the award recipient's schedule of expenditures of federal awards to determine whether the award recipient complied with award terms and applicable laws and regulations.[14] Inventory and asset expenditures and disposition were

[7] 2 CFR § 200.313(e), "Equipment," *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, U.S. Government Publishing Office; 48 CFR § 752.245-71, USAID Acquisition Regulation, *Title to and care of property*.
[8] 48 CFR § 752.245-71, USAID Acquisition Regulation, *Title to and care of property*.
[9] 2 CFR § 200.313(e), "Equipment," *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, U.S. Government Publishing Office.
[10] USAID, Automated Directives System (ADS) Chapter 534, Personal Property Management Overseas, section 534.3.7.
[11] Retention of assets by the implementer involves transferring asset ownership from USAID to the implementer for other programmatic related activities/programs.
[12] USAID, Automated Directives System (ADS) Chapter 302sat, Guidance on Closeout Procedures for A&A Awards, An Additional Help Document for ADS Chapters 302, 303, and 309.
[13] Annual audits are required if awards meet or exceed federal thresholds. For the year in which an award concludes, a close out audit is required.
[14]USAID, Automated Directives System (ADS) Chapter 591maa, USAID Financial Audit Guide for Foreign Organizations, a Mandatory reference for ADS Chapter 591.

reviewed as part of these audits. Awards cannot be closed until final action has been taken on all audit recommendations.

USAID Award Terminations

While the President's review of foreign assistance was ongoing, on February 24, 2025, nearly all USAID staff were placed on administrative leave, and overseas staff were ordered to prepare to return to the United States.[15] On March 10, 2025, the Secretary of State announced that the administration had concluded its review of foreign assistance and that 83 percent of USAID awards were terminated. USAID began award closeout and asset disposition for the terminated awards but had limited staff to execute these procedures since most USAID staff were placed on administrative leave. USAID/SA re-designated new acquisition officials to execute asset disposition procedures for terminated awards whose designated procurement officials were placed on administrative leave.

Recognizing operational constraints, USAID's Office of Acquisition and Assistance issued supplemental guidance on March 13, 2025, directing overseas missions to expedite asset disposition decisions. This guidance applied to assets deemed critical security risks, high-value assets, reputationally sensitive assets, and program commodities. Specifically, it required missions to obtain disposition plans for qualifying assets within 10 days. According to the guidance, expediting disposition decisions would allow USAID to safeguard program assets to maintain operational integrity and uphold U.S. government objectives.

Expedited Disposition Categories Guidance

(1) Critical Security Risks: Armored vehicles, IT and communications equipment containing sensitive data, and other assets whose mismanagement or loss could pose security or safety threats.

(2) High-Value Assets: Essential or costly resources such as medical supplies, vehicles, and construction materials.

(3) Reputationally Sensitive Assets: Heavily branded USAID resources or supplies that, if mishandled, could negatively impact U.S. government credibility or humanitarian goals.

(4) Program Commodities: Essential commodities for beneficiaries, including food aid, medical supplies, textbooks, or infrastructure materials suitable for rapid distribution.

On March 28, 2025, the Department of State formally notified Congress that it would assume the remaining responsibilities and functions of USAID by July 1, 2025. USAID staff at overseas missions were to return to the United States by August 15, 2025. As part of this transition, nearly all non-statutory positions at USAID were to be eliminated, all missions closed, and personnel worldwide separated from the Agency by September 2, 2025. Accordingly, the Department of State assumed responsibility for ongoing awards and future foreign assistance on July 1, 2025. The remaining USAID personnel focused on managing award closeout procedures and other Agency winddown functions.

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[15] Staff were originally placed on administrative leave on February 7, 2025. They were temporarily reinstated on February 8, due to a temporary restraining order, until February 21 when a Federal judge ruled that the administration could proceed with plans for mass layoffs.

GAO Fraud Risk Management Framework

To help identify and assess potential fraud risks in such contexts, the U.S. Government Accountability Office (GAO) developed the *Fraud Risk Management Framework,*[16] which outlines three elements commonly associated with an increased risk of fraud: opportunity, incentive or pressure, and rationalization.[17] These elements offer a useful framework for examining conditions that may elevate fraud risk and evaluating the sufficiency of internal controls.

USAID Southern Africa Had Not Approved Over Half of Implementer Disposition Plans for High-Value Assets and Had Limited Controls in Place to Ensure Inventory Accuracy

In response to the extensive termination of foreign assistance programs, USAID/SA accelerated procedures to dispose of $28.7 million in assets purchased for 51 terminated programmatic awards. As of May 1, 2025, USAID/SA had not approved disposition plans for 30 of the 51 awards (59 percent) with high-value assets, leaving assets idle or at risk. For the 16 awards we selected for review, implementers purchased 614 high-value assets worth $15.1 million and primarily proposed to retain or donate those assets. However, we found that the mission had approved implementers to dispose of only 94 of the 614 high value assets. USAID/SA's oversight of the asset disposition process was limited. We found that the mission relied heavily on implementer-generated records and Agreement Officer's Representatives' (AORs) [18] institutional knowledge to make disposition decisions and performed limited verification of inventory lists. This limited oversight contributed to discrepancies including missing assets in inventory lists. As a result, high-value assets procured under USAID/SA terminated awards were at risk of misappropriation, loss, or fraud.

USAID Southern Africa Expedited Disposition Procedures for $28.7 Million in Purchased Assets, but Had Not Approved Plans for More Than Half of Its Awards

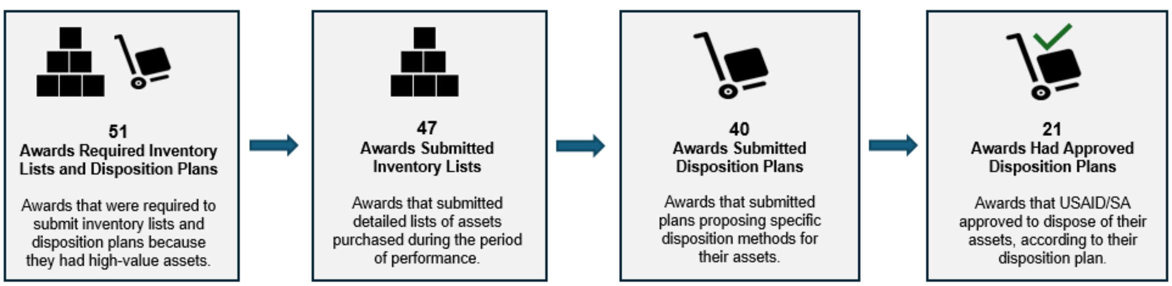
USAID/SA expedited its efforts to dispose of high-value assets purchased under terminated awards but had not fully approved disposition plans at the time of our review. Responding to worldwide guidance from USAID headquarters, USAID/SA expedited the disposition of assets for its 51 terminated programmatic awards with high-value assets by requesting implementers provide inventory lists and disposition plans earlier than normally required. According to awards terms and conditions, an implementer usually has 120 days after award termination to

[16] GAO, *A Framework for Managing Fraud Risks in Federal Programs* (GAO-15-593SP), July 2015.
[17] This concept is known as the fraud triangle.
[18] The AOR is responsible for the day-to-day administration of an assistance award, including monitoring performance, reviewing reports, and ensuring proper closeout in coordination with the Agreement Officer.

submit these documents. However, USAID/SA asked implementers to submit inventory lists by March 24, 2025, about 30 days after the awards were terminated.

As of May 1, 2025, USAID/SA had received inventory lists for 47 of 51 terminated awards.[19] The 47 inventory lists received contained detailed information on assets implementers purchased with USAID funds, including product descriptions, unique identifying numbers, purchase prices, and current values. Implementers reported inventory totaling $28.7 million in assets. Further, of the 47 inventory lists, 40 were accompanied by disposition plans outlining the proposed final use of assets, such as retention, donation, or sale. USAID/SA approved 21 of these disposition plans formally authorizing implementers to proceed with disposing of assets for the corresponding awards. USAID/SA staff said they were continuing to coordinate with implementers to finalize and approve disposition plans for high-value assets for the 30 remaining terminated awards. Figure 2 shows the status of disposition plans for terminated USAID/SA programmatic awards.

Figure 2. Status of Disposition Plans for Terminated USAID Programmatic Awards in Southern Africa, as of May 1, 2025



Source: OIG analysis of documentation provided by USAID/SA.

Despite USAID's request for expedited disposition plan submissions, some implementers did not submit plans by the requested date because the timeframe in which they were required to submit these plans, as specified in award terms and agreements, had not elapsed at the time of the audit. Without approved disposition plans, USAID officials lack information on the status of high-value assets and their methods of disposition.

USAID Southern Africa Had Approved 15 Percent of High-Value Assets for Selected Awards to be Retained, Sold, or Donated

As of May 1, 2025, USAID/SA had received inventory lists that included high-value assets but had not approved implementers to dispose of all the assets. The 16 awards we selected for

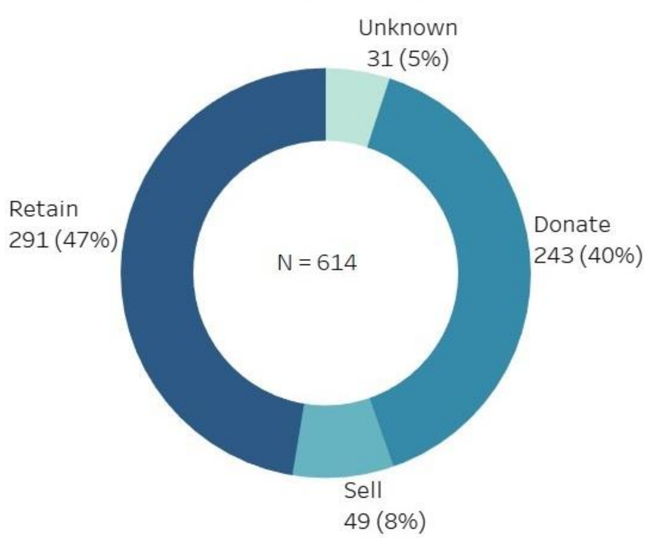
[19] USAID/SA did not provide the remaining four inventory lists as of May 1, 2025, but was still actively working with implementers to solicit outstanding inventory lists and review and approve disposition plans.

review had 614 high-value physical assets with individual purchase prices exceeding $10,000 (see Appendices B and C for details). Implementers originally purchased these assets for $15.1 million, according to records they submitted to USAID/SA.[20] Of the 614 high-value assets we reviewed, 457 were vehicles.

As part of the disposition process, implementers provided disposition plans proposing that the 614 assets be disposed of by one of three options: retention by the implementers, donation to local organizations, or sale. Other federally allowable disposition methods including transfer to another USAID-funded program or redistribution for USAID operational use were not feasible due to extensive USAID program terminations in the region, according to USAID/SA officials. Additionally, officials said that the disposition option to transfer assets to another U.S. government agency was not practicable because other federal agencies were not interested in USAID/SA's assets.

Of the 16 awards we reviewed, USAID/SA had approved disposition plans for 5, accounting for 15 percent (94 of 614) of the assets, as of May 1, 2025, requiring implementers to dispose of assets by donating, selling, or retaining them. The mission was in the process of reviewing the disposition plans of the other 11 received awards for approval. Figure 3 shows the disposition methods for high-value assets in the 16 disposition plans we reviewed.

Figure 3. Disposition Methods for 614 High-Value Assets Listed in 16 Selected Plans



Source: OIG analysis of USAID/SA data.

Implementers omitted 31 assets with unknown disposition outcomes from the plans despite including the assets on submitted inventory lists. Of these, nine assets should have been included because they exceeded federal thresholds for high-value items. Two exceeded the $10,000 threshold for grants and cooperative agreements and seven exceeded the $500

[20] These figures do not include lower-value assets such as IT equipment and office furniture.

threshold for contracts. Omitting valuable assets required by Federal regulations increases the risk of loss or diversion for unauthorized purposes.

Implementers reported receiving inconsistent or unclear guidance from USAID/SA officials during the expedited closeout process, causing confusion over what must be included on inventory lists and resulting disposition plans. According to USAID/SA staff, some mission officials asked implementers to include only those assets above the applicable Federal thresholds on inventory lists, while other officials asked implementers to include all assets regardless of their value.

USAID/SA told implementers that it would allow retention of approved asset sale proceeds to offset unpaid costs resulting from overdue payments USAID owed implementers, such as rent and severance owed under local law. For example, we found that USAID/SA approved the disposition plan for one implementer that sold eight vehicles for about $175,000 to pay debts. We found that another implementer proposed retaining 109 vehicles with a total market value of $1.55 million for program use but said it would consider selling assets if USAID did not make outstanding payments. According to USAID/SA officials, proceeds should be deducted from the amount USAID owes, and the balance settled during the award closeout process.

USAID/SA officials highlighted the broader challenge of expediting the disposition of high-value assets in the dynamic environment. For example, officials said they relied on implementers to share any updated communications they received regarding award status and reconciled mission records daily against a headquarters-level list, often creating confusion on which awards were terminated. Additionally, a USAID/SA official said that implementers involved in litigation against USAID for nonpayment did not submit inventory lists when USAID/SA requested them.

In addition to these challenges, during our site visits we observed the following complications highlighted by USAID/SA officials and implementers:

- *Donation recipients had not been identified*. One implementer had recently purchased a mobile health clinic for nearly $100,000 but had not identified a recipient to use it. At the time of our observation, the mobile unit remained unused in a secure parking lot (see Figure 4).
- *High-value assets were left at implementation sites.* Items such as backup power generators and prefabricated structures were left at former implementation sites because repurposing them at other locations was not a cost-effective option, according to one implementer.

- *Stored assets were deteriorating.* Fleets of vehicles and other assets stored in garages were at risk of deterioration and vandalism (see Figure 5).

Figure 4. Mobile Clinic for Disposition

Mobile health clinic parked in Gauteng Province, South Africa.
Source: OIG photo taken during April 2025 site visit.

Figure 5. Vehicle With a Flat Tire

Vehicle at USAID/SA-supported implementation site in Gauteng Province, South Africa.
Source: OIG photo taken during April 2025 site visit.

USAID Southern Africa's Limited Asset Disposition Controls Impaired Inventory Accuracy

We identified discrepancies between implementers' inventory lists and assets observed onsite or included in award documentation due to USAID/SA's limited controls to verify the accuracy of the lists. We tested 276 assets from inventory lists for 13 of the 16 selected awards to determine whether all assets implementers purchased were included**.** From our testing, we identified five vehicles that were not included on inventory lists or disposition plans. We identified two through site visits for 7 of the 13 awards and three through documentary reviews for the other 6 awards. The two vehicles identified during site visits as missing from implementers' inventory lists were the following:

- A Toyota Corolla, purchased for $14,596, at the implementer's storage facility.

- A Toyota Hino retrofitted to be a mobile health clinic, purchased for $98,795, at another implementer's storage facility.

For the remaining six awards for which we did not conduct onsite visits, we reviewed program documentation instead of doing in-person testing and identified the following high-value assets missing from two inventory lists of two different awards:

- Two Toyota Hilux pickup trucks approved for purchase at a total cost of $59,103.

- A Ford Ranger pickup truck approved for purchase for $23,929.

USAID/SA's limited controls for verifying the accuracy of inventory lists implementers submitted resulted in inventory lists missing assets. AORs primarily relied on implementers' asset management systems and their own limited oversight procedures and program knowledge to assess the completeness of inventory lists. Annual inventory reports—a USAID requirement for contracts[21]—could have helped verify these lists; however, these reports were not always available in the official award file at the time of our review.[22] It was unclear if close-out audits, that include procedures to ensure program assets were disposed of in accordance with USAID and federal regulations, would occur. These audits could identify any discrepancies between the implementors' final award inventories and financial statements.

We found that there was no formal process to check implementors' reported inventory lists against existing annual inventory reports or USAID/SA's records. According to USAID/SA officials, AORs used their knowledge of the program to assess whether the lists appeared complete and fair market value estimates were reasonable. These officials noted that implementers had to get approval for purchases of $5,000 or more and AORs could draw on this knowledge when reviewing inventory lists for award close-out. This informal process was used despite requirements under USAID's Enterprise Risk Management Framework and Internal Control Program, which required USAID and its missions to integrate risk management and internal control to manage risk, including the risk of fraud. This included an annual requirement for missions to evaluate fraud risk and design and implement control activities to mitigate it.[23]

Additionally, after the Department of State's March 2025 congressional notification regarding the drawdown of USAID operations, some AORs were placed on administrative leave during award closeouts. Since AORs are responsible for various aspects of the disposition process, USAID/SA had to designate remaining staff to fulfill vacant AOR roles. Designating new AORs with little to no experience with specific awards created knowledge and oversight gaps.

We determined that USAID's limited controls were compounded by conditions that increased the risk for fraud as implementers were disposing of assets, consistent with key fraud risk elements identified in GAO's *Fraud Risk Management Framework*. Staffing changes and weak internal controls during award closeout created opportunities for fraud. Simultaneously, sudden funding cuts, delayed implementer payments, and job losses increased pressure on USAID/SA and implementer staff. Finally, perceptions that foreign assistance awards were unfairly terminated may have encouraged individuals to rationalize the misuse or abuse of USAID-funded assets during closeout. These conditions, combined with USAID's limited ability to verify the completeness of disposition lists, indicate an elevated risk of fraud. While we did not conclude that the exclusion of certain assets from the lists constituted fraud, the potential

[21] 48 CFR § 752.245-70, USAID Acquisition Regulation, *Government property-USAID reporting requirements*.
[22] An annual inventory report was not a requirement for grants or cooperative agreements.
[23] USAID, Automated Directives System (ADS) Chapter 596, Management's Responsibility for Enterprise Risk Management and Internal Control, section 596.1, Overview, and section 596.3.2, Management's Responsibility for Enterprise Risk Management and Internal Control.

remains. As a result, high-value assets, like the 614 purchased for $10,000 or more across our 16 selected awards, were exposed to this heightened risk of loss, misappropriation, or fraud.

Conclusion

USAID/SA expedited the disposition process as required and took steps to account for assets, but not all disposition plans were approved and gaps in controls over implementer inventory lists resulted in discrepancies. The contextual factors, limited controls, and increased pressure on staff and partners created an environment of heightened fraud risk. Enhancing these controls would help ensure USAID-funded assets are properly disposed of and safeguard U.S. taxpayer dollars from fraud, waste, and abuse.

Recommendations

We recommend that USAID's Office of Award Terminations take the following actions:

1. Ensure that disposition plans are approved for all terminated awards USAID Southern Africa managed.
2. Implement internal controls, such as closeout audits, to verify that high-value assets purchased under awards are properly accounted for at the time of award closeout, in accordance with thresholds established in Federal requirements.

OIG Response to Agency Comments

We provided our draft report to USAID on January 13, 2026. As of April 17, 2026, the Agency had not provided a response to or comments on the draft report.

We consider the two recommendations open and unresolved.

Appendix A. Scope and Methodology

We conducted our work from March 2025 to January 2026 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions.

The objective of this audit was to assess USAID's disposition process for high-value assets procured under selected terminated awards in Southern Africa.

The audit covered USAID awards terminated between January 20, 2025, and April 9, 2025, and related asset disposition activities as of May 1, 2025. We established the May 1, 2025, date for the scope of the audit because access to implementing partner staff, office space, and physical assets was limited after this time due to the award terminations. We conducted our work in Pretoria, Johannesburg, and Polokwane, South Africa.

To answer the audit objective, we asked USAID/SA to provide us with a list of all USAID/SA awards that were terminated between January 20 and April 9, 2025. This list yielded 87 awards. From this list, we excluded all non-programmatic awards, such as those for janitorial services, and awards without high-value assets.[24] This resulted in a total 51 programmatic awards with assets worth $28.7 million that we included in our review. For these awards, we requested USAID/SA to provide disposition plans with approval dates and associated inventory lists. We analyzed the value and status of assets on inventory lists and disposition plans and assessed whether USAID had approved disposition plans.

To determine whether USAID/SA disposed of assets in accordance with its process, we selected a judgmental sample of 16 of the 51 programmatic awards for further review. These 16 awards had 614 high-value assets valued at $15.1 million with purchase prices of at least $10,000[25](see Appendices B and C). We selected this sample based on three primary criteria: (1) the presence of high-value assets requiring disposition; (2) the total value of physical assets procured under the award, and (3) proximity of the implementation site to our office in Pretoria, South Africa. We reviewed and documented the proposed disposition methods for the 614 high-value assets we identified for these 16 awards. We then verified asset existence and inventory list completeness and accuracy for the selected awards through a combination of site visits and documentary review of USAID/SA approvals for implementers to purchase high-value assets. We conducted site visits for 7 of 16 selected awards. For each site visit, we assessed whether assets from inventory lists were physically present at site visit locations via direct observation. In addition, we randomly selected assets at site visit locations and verified whether they were present on inventory lists. For the remaining nine selected awards, onsite testing was not practicable due to time constraints and the availability of implementer staff. For

[24] We considered these awards to have high-value assets since they had assets which met federal value thresholds for disposition. USAID and federal regulations require assets with a per unit purchase value of $500 or more for contracts and a per unit fair market value over $10,000 for grants or cooperative agreements to be disposed of through a formal disposition process.

[25] We selected assets if their purchase price was over $10,000. Examples of these assets are vehicles, prefabricated structures, and generators.

these awards, we requested historical documentation of USAID/SA approvals for implementers to purchase high-value assets to verify the completeness and accuracy of inventory lists. We used this documentation to assess whether assets approved for purchase were present on inventory lists and disposition plans. We were unable to perform this testing on three awards which lacked the necessary documentation. In total, we performed verification testing on 276 unique assets across the 13 of 16 selected awards we were able to test.

The results and conclusions we drew from our sample are limited to the awards and assets we reviewed and are not generalizable. However, we determined that our method for selecting these awards and assets was appropriate for our audit objectives and that the selection would generate valid, reliable evidence to support our findings and conclusions.

We reviewed relevant Federal and USAID requirements related to asset disposition, including Title 2 of the Code of Federal Regulations, the Federal Acquisition Regulation, and USAID's Automated Directives System. We also reviewed guidance on expedited disposition of program assets provided by USAID's Bureau for Management Office of Acquisition and Assistance.

To understand USAID's oversight processes and controls for physical assets procured under terminated awards, we interviewed USAID/SA officials responsible for program and property management. We discussed the oversight process with representatives from USAID/SA's financial management office. Additionally, our audit staff attended a training course provided by USAID/SA's Office of Acquisition and Assistance on how to close out awards. We also interviewed implementing partner staff responsible for asset disposition and inventory tracking during our seven site visits.

We relied on computer-processed Agency data supporting the status of USAID's terminated awards and related asset lists. To test reliability, we performed review of the completeness and accuracy for lists of terminated awards. We also tested asset lists submitted by implementing partners for existence and accuracy through document review and site visits. We determined that the data was sufficiently reliable for the purpose of this audit.

Audit findings, conclusions, and recommendations were based on testing of asset disposition plans, inventory lists, and physical assets for completeness, accuracy, and existence, and analysis of relevant Federal and USAID requirements.

Appendix B. High-Value Vehicle Assets to Be Disposed of for Selected Terminated Awards, by Purchase Price

Quantity	Asset Description	Purchase Price	Market Value	Model Year	Purchase Year
3	Volkswagen Crafter	$198,394	$29,013	Not available	2023
2	Volkswagen Crafter	$177,061	$73,775	2021	2021
1	Hino 500 Series 16 -27	$98,795	$98,795	2024	2024
2	Kia Ultra-Mobile	$87,549	$0	2022	2022
2	Iveco Daily	$59,462	$28,079	2023	2023
2	Toyota Quantum	$58,329	$14,885	2023	2023
2	Fuso Canter	$53,787	$8,206	2020	2019
2	Mobile clinic	$53,787	$8,206	2020	2019
2	Ford Nex-Gen Everest Sport	$52,087	$52,087	2024	2024
5	Iveco Daily	$51,306	$0	2019	2019
1	Hyundai Staria	$50,248	$32,489	2024	2024
3	Ford Nex-Gen Everest Sport	$47,719	$38,183	2024	2024
6	Iveco Daily	$46,664	$17,767	2019	2019
4	Toyota Landcruiser	$46,448	$9,290	2020	2020
5	Toyota Landcruiser	$46,448	$9,290	2019	2019
1	Iveco Daily	$46,239	$19,028	2019	2019
1	Hyundai Staria	$46,182	$34,542	2023	2023
1	Mitsubishi Pajero Sport	$44,325	$24,650	2022	2022
1	Mitsubishi Pajero Sport	$43,382	$24,650	2022	2022
3	Iveco Daily	$42,707	$17,767	2019	2019
1	Volkswagen Crafter	$41,667	$14,071	2021	2023
8	Mitsubishi Pajero Sport	$41,623	$29,756	2023	2023
1	Toyota Fortuner	$41,351	$21,344	2022	2022
3	Toyota Fortuner	$41,208	$21,344	2022	2022
10	Toyota Hilux	$39,693	$33,342	2024	2024
2	Toyota Hilux	$39,016	$21,076	2022	2022
1	Toyota Fortuner	$37,696	$20,517	2022	2022
1	Ford Everest	$37,045	$10,496	2021	2021
1	Toyota Fortuner	$36,884	$19,878	2021	2021
1	Toyota Fortuner	$36,229	$28,983	2023	2023
5	Ford Ranger	$36,142	$26,822	Not available	2023
1	Nissan Iveco	$35,448	$17,767	2019	2019
2	Toyota Fortuner	$35,282	$20,526	2019	2019
1	Toyota Fortuner	$35,282	$20,684	2019	2019
2	Nissan Iveco	$35,261	$17,767	2019	2019
5	Toyota Fortuner	$35,165	$0	2021	2021
2	Ford Tourneo	$35,116	$20,189	2021	2021

Quantity	Asset Description	Purchase Price	Market Value	Model Year	Purchase Year
2	Ford Tourneo	$35,116	$22,644	2021	2021
1	Ford Everest	$33,864	$0	2018	2018
1	Toyota Hilux	$33,529	$21,076	2022	2022
1	Toyota Hilux	$33,529	$21,076	Not available	2017
1	Toyota Hilux	$32,782	$9,288	2021	2021
3	Ford Ranger	$32,585	$26,068	2024	2024
1	Toyota Hilux	$32,532	$9,635	2021	2021
1	Toyota Fortuner	$32,137	$8,034	2021	2021
1	Ford Ranger	$32,129	$0	2016	2016
1	Ford Ranger	$32,129	$3,213	2016	2016
1	Ford Everest	$31,802	$6,357	2016	2016
1	Ford Everest	$31,802	$7,946	Not available	2016
1	Ford Everest	$31,802	$8,703	2016	2016
1	Ford Everest	$31,802	$15,622	Not available	2016
1	Ford Double Cab	$31,021	$10,281	2021	2021
1	Toyota Fortuner	$30,837	$16,128	2019	2019
1	Toyota Fortuner	$30,837	$17,533	2019	2019
1	Ford Double Cab	$30,785	$10,203	2021	2021
6	Isuzu D-Max	$30,229	$20,389	2023	2023
6	Ford Ranger	$30,160	$25,133	2024	2024
1	Hyundai H1	$29,800	$15,183	2016	2016
1	Toyota Hilux	$29,781	$0	2006	2006
1	Ford Double Cab	$29,779	$9,870	2021	2021
1	Toyota Hilux	$29,722	$6,440	2021	2021
3	Toyota Hilux	$29,722	$6,935	2021	2021
2	Ford Ranger	$29,715	$13,439	2020	2020
1	Toyota Quantum	$29,680	$14,944	2019	2019
2	Toyota Quantum	$29,428	$14,944	2019	2019
3	Toyota Fortuner	$29,346	$16,583	2019	2019
3	Chevrolet Captiva	$29,182	$7,778	2016	2016
2	Ford Ranger	$29,054	$8,716	2021	2021
2	Toyota Hilux	$28,990	$0	2021	2021
2	Toyota Fortuner	$28,801	$19,405	2017	2017
2	Toyota Fortuner	$28,639	$0	2021	2021
2	Toyota Fortuner	$28,618	$0	2019	2020
3	Ford Ranger	$28,477	$0	2024	2025
5	Toyota Hilux	$28,418	$0	2020	2020
1	Ford Ranger	$28,108	$0	2019	2019
1	Isuzu Double Cab	$28,083	$0	2015	2015
3	Toyota Hilux	$27,967	$5,593	2020	2020

Quantity	Asset Description	Purchase Price	Market Value	Model Year	Purchase Year
1	Ford Ranger	$27,910	$3,256	2020	2020
6	Toyota Hilux	$27,697	$15,135	2017	2017
3	Toyota Rav-4	$27,487	$12,632	2019	2019
10	Toyota Fortuner	$26,957	$16,583	2019	2019
1	Toyota Fortuner	$26,818	$17,533	2019	2019
5	Nissan Navara	$26,470	$11,717	2023	2023
1	Ford Everest	$26,255	$0	2020	2018
1	Toyota Fortuner	$26,236	$16,128	2019	2019
4	Toyota Fortuner	$26,236	$16,583	2019	2019
3	Toyota Fortuner	$26,236	$17,533	2019	2019
1	Toyota Quantum	$26,168	$10,144	2013	2013
2	Isuzu D-Max	$26,036	$11,789	2020	2020
1	Toyota Fortuner	$25,507	$16,128	2019	2019
1	Toyota Fortuner	$25,507	$17,533	2019	2019
1	Toyota Avanza	$24,939	$9,889	2019	2019
1	Toyota Fortuner	$24,939	$16,128	2019	2019
14	Toyota Fortuner	$24,939	$16,583	2019	2019
2	Toyota Fortuner	$24,939	$17,533	2019	2019
3	Toyota Cross	$24,633	$19,662	Not available	2023
1	Toyota Cross	$24,633	$19,662	Not available	2023
8	Toyota Cross	$24,633	$19,662	Not available	2023
1	Ford Ranger	$23,750	$5,938	2016	2021
2	Isuzu KB	$23,679	$10,328	2016	2016
1	Ford Ranger	$23,344	$9,189	2015	2015
2	Nissan X-Trail	$23,321	$8,661	2019	2019
1	Nissan X-Trail	$23,321	$10,233	2019	2019
7	Isuzu KB	$22,833	$4,567	2018	2018
1	Isuzu D-Max	$22,831	$14,056	2019	2019
2	Toyota Fortuner	$22,605	$10,757	2013	2012
1	Nissan NP300	$22,557	$1,128	2015	2015
1	Ford Ranger	$22,500	$7,728	2021	2021
1	Ford Ranger	$22,496	$0	2015	2015
1	Ford Double Cab	$22,496	$0	2015	2015
1	Ford Everest	$22,234	$16,056	2019	2019
1	Toyota Hilux	$22,140	$15,135	2017	2017
1	Toyota Quantum	$21,569	$6,103	2012	2012
1	Toyota Quantum	$21,256	$4,378	2015	2015
1	Toyota Fortuner	$21,160	$10,539	2011	2011
14	Toyota Corolla	$20,825	$14,103	2024	2024
14	Toyota Corolla	$20,681	$14,103	2024	2024

Quantity	Asset Description	Purchase Price	Market Value	Model Year	Purchase Year
1	Nissan Hardbody	$20,424	$11,427	2020	2020
1	Toyota Hilux	$20,347	$2,432	2011	2011
1	Isuzu Single Cab	$20,178	$0	2018	2018
1	Toyota Hilux	$19,834	$3,967	2013	2013
4	Toyota Rumion	$19,827	$12,775	2023	2023
4	Toyota Rumion	$19,686	$12,775	2023	2023
2	Nissan Hardbody	$19,595	$11,427	2020	2020
1	Toyota Fortuner	$19,474	$15,135	2011	2016
1	Honda CR-V	$19,444	$3,889	2012	2012
1	Ford Ranger	$19,415	$7,728	2019	2019
1	Toyota Hilux	$19,339	$7,838	2012	2012
1	Volkswagen Caddy Panel Van	$19,291	$0	2020	2020
1	Toyota Hilux	$19,278	$7,838	2012	2012
1	Toyota Hilux	$19,235	$3,847	2012	2012
1	Nissan NP200	$18,888	$0	2016	2016
1	Ford EcoSport	$17,801	$12,461	2023	2023
1	Suzuki Ertiga	$17,051	$13,832	2023	2023
1	Nissan NP200	$16,757	$0	2015	2015
1	Toyota Corolla	$16,648	$9,194	2021	2021
6	Toyota Avanza	$16,632	$12,445	2021	2021
1	Ford Double Cab	$16,560	$6,000	2011	2018
3	Toyota Rush	$16,538	$1,378	2020	2020
5	Nissan NP300	$16,424	$5,528	2018	2018
4	Toyota Quest	$16,370	$9,056	2021	2021
12	Toyota Quest	$16,370	$9,056	2020	2020
1	Ford Ranger	$16,303	$6,577	2013	2013
1	Isuzu Double Cab	$16,070	$0	2010	2012
1	Ford Ranger	$16,001	$12,683	2018	2020
1	Nissan Hardbody	$15,970	$3,220	2019	2019
1	Ford EcoSport	$15,924	$9,820	2021	2022
1	Ford EcoSport	$15,769	$9,724	2022	2022
2	Ford EcoSport	$15,769	$9,724	2021	2022
1	Ford EcoSport	$15,769	$12,461	2023	2023
1	Toyota Corolla	$15,731	$7,533	2019	2019
13	Toyota Rumion	$15,674	$12,112	2022	2022
14	Ford Ranger	$15,672	$0	2019	2019
2	Toyota Rumion	$15,620	$16,804	Not available	2023
2	Toyota Hilux	$15,611	$0	2016	2016
1	Toyota Rumion	$15,595	$7,593	2023	2023
3	Ford EcoSport	$15,437	$12,915	Not available	2024

Quantity	Asset Description	Purchase Price	Market Value	Model Year	Purchase Year
1	Toyota Hilux	$15,373	$0	2015	2015
2	Ford EcoSport	$15,257	$12,915	Not available	2024
2	Toyota Avanza	$15,114	$15,737	Not available	2024
1	Ford EcoSport	$15,108	$12,915	Not available	2024
3	Ford EcoSport	$15,108	$12,915	Not available	2024
2	Ford EcoSport	$15,108	$12,915	Not available	2024
1	Volkswagen Caddy Panel Van	$14,633	$0	2020	2020
1	Ford Focus	$14,608	$5,044	2014	2014
4	Toyota Corolla	$14,596	$7,533	2019	2019
1	Toyota Corolla	$14,557	$7,533	2019	2019
1	Chevrolet Trailblazer	$14,422	$0	2023	2023
2	Suzuki Baleno	$14,066	$11,722	2024	2024
1	Toyota Avanza	$13,910	$1,159	2020	2020
7	Toyota Corolla	$13,679	$7,533	2019	2019
1	Toyota Quantum	$13,277	$8,936	2014	2020
4	Toyota Rumion	$13,199	$6,691	2022	2023
1	Ford Ranger	$13,173	$10,384	Not available	2024
1	Volkswagen Bus	$13,161	$0	2019	2019
1	Toyota Avanza	$13,132	$13,132	Not available	2015
1	Ford Double Cab	$12,903	$0	2018	2018
1	Chevrolet Captiva	$12,243	$6,371	2015	2019
4	Toyota Avanza	$12,211	$3,252	2020	2020
1	Toyota Avanza	$11,796	$4,032	2019	2020
1	Isuzu D-Max	$11,581	$14,056	2019	2019
1	Isuzu Double Cab	$11,419	$0	2018	2018
4	Chevrolet Captiva	$11,380	$6,873	2016	2019
1	Toyota Corolla	$11,123	$4,862	2011	2016
1	Kia Picanto	$11,069	$0	2010	2010
1	Iveco Daily	$10,811	$0	2019	2019
1	Toyota Avanza	$10,579	$4,650	2010	2010
1	Toyota Hilux	$10,556	$5,610	2014	2023
1	Chevrolet Captiva	$10,450	$4,871	2016	2022
1	Toyota Avanza	$10,130	$5,340	2018	2022
1	Ford Fiesta	$10,061	$3,817	2013	2013
1	Nissan NP300	Unknown	$6,300	2016	2016
1	Ford Ranger	Unknown	$7,500	2016	2016
1	Nissan NP300	Unknown	$9,652	2021	2021
Totals					
457		**$12,736,588**	**$5,879,198**		

Source: OIG analysis of USAID/SA documentation.

Appendix C. High-Value Non-Vehicle Assets to Be Disposed of for Selected Terminated Awards, by Purchase Price

Quantity	Asset Description	Purchase Price	Market Value	Purchase Year
1	Prefabricated Structure	$46,701	$38,110	2020
2	Prefabricated Structure	$44,254	$0	2019
1	Prefabricated Structure	$32,718	$22,248	2020
1	Prefabricated Structure	$32,533	$22,123	2020
1	Prefabricated Structure	$31,702	$21,557	2020
1	Prefabricated Structure	$31,316	$21,295	2020
1	Prefabricated Structure	$31,240	$21,243	2020
1	Prefabricated Structure	$30,138	$20,494	2020
1	Prefabricated Structure	$28,590	$19,442	2020
1	Prefabricated Structure	$28,585	$19,438	2020
1	Prefabricated Structure	$28,292	$19,239	2020
1	Prefabricated Structure	$27,947	$19,004	2020
1	Converted container - B grade	$25,733	$17,929	2021
2	Converted container - B grade	$25,733	$17,741	2021
1	Converted container - B grade	$25,733	$16,965	2021
1	Converted container - B grade	$25,733	$16,774	2021
3	Converted container - B grade	$25,733	$16,584	2021
4	Converted container - B grade	$25,733	$16,393	2021
1	Converted container - 12 meters by 2.44 meters	$16,845	$10,731	2021
10	Converted container - B grade	$15,625	$10,232	2021
2	Converted container - B grade	$15,625	$10,228	2021
1	Converted container - B grade	$15,613	$10,346	2021
6	Converted container - 12 meters by 2.4 meters	$13,683	$9,845	2021
3	Generator	$12,063	$4,021	2022
1	Generator	$12,063	$3,574	2022
59	Prefabricated Structure	$11,868	$0	2019
5	Converted container - 6 meters by 2 meters	$11,649	$9,647	2021
2	Converted container - 6 meters by 2 meters	$11,649	$9,612	2021
2	Converted container - 6 meters by 2 meters	$11,649	$9,609	2021
1	Converted container - 6 meters by 2 meters	$11,649	$9,595	2021
4	Converted container - 6 meters by 2 meters	$11,649	$7,852	2021
4	Converted container - 6 meters by 2 meters	$11,649	$7,766	2021

Quantity	Asset Description	Purchase Price	Market Value	Purchase Year
2	Converted container - 6 meters by 2 meters	$11,649	$7,680	2021
1	Prefabricated Structure	$11,441	$0	2019
1	5 kilowatt solar inverter	$11,245	$0	2019
1	10 kilowatt solar inverter	$11,245	$0	2019
1	Generator	$10,994	$3,257	2022
25	Converted container - 6 meters by 2 meters	$10,208	$7,079	2020
Totals				
157		**$2,330,669**	**$1,019,551**	

Source: OIG analysis of USAID/SA documentation.

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