



## MEMORANDUM

**DATE:** August 27, 2020

**TO:** USAID/Tanzania, Mission Director, Andrew Karas

**FROM:** USAID OIG Africa Regional Office, Assistant Director, Matthew Rathgeber /s/

**SUBJECT:** Financial Closeout Audit of USAID Resources Managed by Roads Fund Board in Tanzania Under Award 621-IL-15-00001, January 30, 2016, to March 31, 2019 (Report No. 4-621-20-106-R)

This memorandum transmits the final audit report on USAID resources managed by Roads Fund Board (RFB). National Audit Office of Tanzania (NAOT) contracted with the independent certified public accounting firm Ernst & Young, Tanzania, to conduct the audit. NAOT stated that the audit was conducted in accordance with generally accepted government auditing standards (GAGAS). However, NAOT did not have an external peer review that fully satisfied the requirements of GAGAS. NAOT is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on RFB's fund accountability statement; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.<sup>1</sup>

The audit objectives were to (1) express an opinion on whether the fund accountability statement for the period audited, was presented fairly, in all material respects; (2) evaluate RFB's internal controls; (3) determine whether RFB complied with award terms and applicable laws and regulations.

To answer the audit objectives, NAOT through Ernst & Young (1) audited the fund accountability statement for the award 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 RFB as incurred from January 30, 2016, to March 31, 2019; (2) evaluated the control environment, the adequacy of the accounting systems, and control procedures that pertain to RFB's ability to report financial data consistent with the assertions embodied in each account of the fund accountability statement; (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 fund accountability statement. RFB reported expenditures of \$9,551,241

---

<sup>1</sup> 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.

in USAID funds during the audited period.

NAOT concluded the fund accountability statement presented fairly, in all material respects, program revenues and costs incurred under the award for the period audited. The audit firm did not identify any questioned costs; no material weaknesses in internal control; and no instances of material noncompliance. The audit report also included immaterial instances of noncompliance.

During our desk review, we noted several minor issues which the audit firm will need to address in future audit reports. We presented these issues in a memo to the controller, dated August 27, 2020.

Accordingly, we are not making any recommendations.

We appreciate the assistance extended during the engagement.

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”).