



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

### MEMORANDUM

**DATE:** May 19, 2022

**TO:** USAID/Uganda, Mission Director, Richard Nelson

**FROM:** USAID OIG Africa Regional Office, Audit Director, Robert Mason /s/

**SUBJECT:** Financial Audit of USAID Resources Managed by Joint Clinical Research Centre in Uganda Under Multiple Awards, October 1, 2020, to September 30, 2021 (Report No. 4-617-22-058-R)

This memorandum transmits the final audit report on USAID resources managed by Joint Clinical Research Centre (JCRC) under the following awards:

Award Name (Type)	Award Number	Audit Period	Prime Implementer
Local Partners Health Services - Kigezi & Lango Program (cooperative agreement)	72061720CA00013	Oct. 1, 2020 – Sep. 30, 2021	
Regional Health Integration to Enhance Services - North, Lango (RHITES-N Lango) Program (subagreement)	13759-CR-05	Oct. 1, 2020 – Sep. 30, 2021	John Snow Inc.
Regional Health Integration to Enhance Services in South-West Uganda – (RHITES SW) (subagreement)	UG-00-9-290-04937-0-00	Oct. 1, 2020 – Sep. 30, 2021	EGPAF
Defeat TB Program (subagreement)	FY18-FAA 14-6027	Oct. 1, 2020 – Sep. 30, 2021	University Research Co., LLC (URC)

JCRC contracted with the independent certified public accounting firm PKF, Kampala, Uganda, to conduct the audit. The audit firm stated that it performed its audit in accordance with generally accepted government auditing standards (GAGAS). However, it did not have continuing professional education and an external peer review that fully satisfied the requirements of GAGAS. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on JCRC's schedule of expenditures of USAID awards; 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 schedule of expenditures of USAID awards for the period audited, was presented fairly, in all material respects; (2) evaluate JCRC's internal controls; (3) determine whether JCRC 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, PKF (1) audited the schedule of expenditures of USAID awards 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 JCRC as incurred from October 1, 2020, to September 30, 2021; (2) evaluated the control environment, the adequacy of the accounting systems, and control procedures that pertain to JCRC'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 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) reviewed the implementation status of the prior period recommendations. JCRC reported expenditures of \$3,885,546 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 identified no questioned costs; no material weaknesses in internal control; and no instances of material noncompliance.

Accordingly, we are not making any recommendations.

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").

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<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.