



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: March 16, 2023

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 Infectious Diseases Institute Limited in Uganda Under Multiple Awards, July 1, 2021, to June 30, 2022 (Report No. 4-617-23-059-R)

This memorandum transmits the final audit report on USAID resources managed by Infectious Diseases Institute Limited (IDI) under the following awards:

Award Name (Type)	Award Number	Period Audited	Prime Implementer
Program for Accelerated Control of TB in Karamoja (cooperative agreement)	72061720CA00003	Jul. 1, 2021 – Jun. 30, 2022	
Local Partner Health Services-TB Activity (LPHS-TBA) (cooperative agreement)	72061722CA00003	Oct 28, 2021 – Jun. 30, 2022	
DEFEAT TB Project in Wakiso, Kampala and Mukono (subaward)	FY18-CR01-6027	Jul. 1, 2021 – Jun. 30, 2022	University Research Company
Health Evaluation and Research Development (subaward)	FY17-A04-6024	Jul. 1, 2021 – Jun. 30, 2022	University Research Company
Regional Health Integration to Enhance Services-North, Acholi-RHITES-N (subcontract)	FY18-S02-8839	Jul. 1, 2021 – Jun. 30, 2022	University Research Company
Uganda Health Systems Strengthening (subcontract)	AID-217770-IDI-03	Jul. 1, 2021 – Jun. 30, 2022	Palladium International LLC
Local Service Delivery for HIV/AIDS Activity (LSDA) (subcontract)	USAID (UPMB) 02-01	Jul. 1, 2021 – Jun. 30, 2022	Uganda Protestant Medical Bureau
Integrated Child and Youth Development (ICYD) (subcontract)	ICYD/2020/IDI101	Jul. 1, 2021 – Jun. 30, 2022	World Education Inc.

IDI contracted with the independent audit firm Deloitte & Touche, Kampala, Uganda to conduct the audit. The audit firm stated that it performed its audit in accordance with generally accepted government auditing standards. However, it did not have an external peer review that

fully satisfy the standards' requirements. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on IDI's schedule of expenditures of USAID awards; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.¹

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 IDI's internal controls; (3) determine whether IDI 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, Deloitte & Touche (1) audited the schedule of expenditures of USAID awards 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 IDI as incurred from July 1, 2021, to June 30, 2022; (2) evaluated the control environment, the adequacy of the accounting systems, and control procedures that pertain to IDI'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. IDI reported expenditures of \$5,368,386 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 making no recommendations.

During our desk review, we noted several areas for improvement which the audit firm should address in future audit reports. We presented these areas in a memo to the controller, dated March 16, 2023.

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").

¹ 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.