



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

MEMORANDUM

DATE: November 6, 2023

TO: USAID Power Africa, Acting Coordinator, David Thompson

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

SUBJECT: Financial Audit of USAID Resources Managed by Tony Blair Institute in Multiple Countries Under Multiple Awards, January 1 to December 31, 2022 (Report No. 4-698-24-022-R)

This memorandum transmits the final audit report on USAID resources managed by Tony Blair Institute (TBI) for the following awards: 1) Power Africa Senior Advisory Group Project – East and Sub-Saharan Africa, cooperative agreement AID-623-A-14-00001; and 2) AGRA-TBI Partnership on Catalyzing Agriculture Transformation – Ghana, Mozambique, and Nigeria, subaward 2019 RE011 (closeout for the period January 1 to July 31, 2022) under Alliance for a Green Revolution in Africa (AGRA). TBI contracted with the independent audit firm Haysmacintyre LLP, London, United Kingdom 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 or a continuing professional education program 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 TBI'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 TBI's internal controls; (3) determine whether TBI 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, Haysmacintyre LLP (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 TBI as incurred from January 1 to December 31, 2022; (2) evaluated the control environment, the

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.

adequacy of the accounting systems, and control procedures that pertain to TBI'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. TBI reported expenditures of \$2,020,394 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 \$2,059 in ineligible questioned costs in the schedule of expenditures of USAID awards and \$380 in ineligible cost share contributions; no material weaknesses in internal control; and no instances of material noncompliance. Since the questioned costs did not meet the OIG's established threshold of \$25,000 for making a recommendation, we are not making a recommendation. Nevertheless, we suggest that USAID Bureau for Africa/Power Africa determine the allowability of the \$2,059 and \$380 in questioned costs and recover any amount determined to be unallowable. In addition, although we are not making a recommendation for the significant deficiency noted in the report, we suggest that USAID Bureau for Africa/Power Africa determine if the recipient addressed the issue noted. The audit firm also issued a management letter as part of the audit report.

Accordingly, we are not making any recommendations.

During our desk review, we noted one area for improvement which the audit firm should address in future audit reports. We presented this area in a memo to the controller, dated November 6, 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"). In addition, USAID OIG has determined that this transmittal memo and the enclosed report are not subject to notification and reporting requirements under Section 5274 of the National Defense Authorization Act.²

² The James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 Pub. L. No. 117-263, § 5274. Please direct related inquiries to oignotice_ndaa5274@usaid.gov.