



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

### MEMORANDUM

**DATE:** May 23, 2025

**TO:** USAID/Haiti, Mission Director, Jennifer Link

**FROM:** Latin America and Caribbean (LAC) Regional Office, Audit Director, Hannah Maloney /s/

**SUBJECT:** Closeout Financial Audit of the Social Behavioral Change with Targeted Communication Program Managed by Institut Panos in Haiti, Cooperative Agreement 72052120CA00007, October 1, 2022, to March 31, 2024 (I-521-25-024-R)

This memorandum transmits the final audit report on the Social Behavioral Change with Targeted Communication Program in Haiti. Institut Panos contracted with the independent audit firm Experts Conseils et Associés 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 Institut Panos'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 the Institut Panos's internal controls; (3) determine whether Institut Panos complied with award terms and applicable laws and regulations; and (4) determine if cost-sharing contributions were made and accounted for by Institut Panos in accordance with the terms of the agreement. To answer the audit objectives, the audit firm reported that they assessed and tested the internal controls related to the project; assessed and tested compliance with applicable laws, regulations, the agreement's provisions; and reviewed project expenditures. The audit covered \$2,528,496 of USAID expenditures for 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

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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.

except for \$70,796 in total unsupported questioned costs. The questioned costs were related to (1) inadequate budget control resulting in budget overruns greater than 10 percent, totaling \$57,079; and (2) accounting records not properly maintained and independently reviewed resulting in questioned cost of \$13,717.

The audit firm identified two significant deficiencies in internal control and two instances of material noncompliance related to the questioned costs detailed above. The audit firm identified two instances of material noncompliance: (1) questioned costs detailed above regarding inadequate budget control, and (2) liquidation reports submitted to USAID did not match the accounting records. Although we are not making a recommendation for significant deficiencies noted in the report, we suggest that USAID/Haiti determine if the recipient addressed the issues noted.

The audit firm stated that based on their review, nothing came to their attention that caused them to believe that Institut Panos did not fairly present the cost sharing contributions schedule, in all material respects, in accordance with the basis of accounting used to prepare the cost sharing contributions schedule. However, the audit firm did not identify a shortfall totaling \$243,063 in the cost sharing contributions schedule. We are not making a formal recommendation on this issue, but we ask the Agreement Officer to verify that the final cost-sharing contributions provided by the recipient are in accordance with the terms of the agreement as part of the closeout process.

Out of six prior audit recommendations, the audit firm determined that the recipient has implemented corrective actions on three recommendations and has not implemented corrective actions on the remaining three recommendations.

Additionally, in note 21 to the schedule of expenditures of USAID awards, the auditors reported an outstanding fund balance of \$29,390 as of the end of the audit period, which had not been refunded to USAID. We are not making a formal recommendation on this issue; however, we bring this to the Agreement Officer's attention to verify that the recipient addressed the issue noted as part of the closeout process.

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 May 23, 2025.

To address the issues identified in the report, we recommend that USAID/Haiti:

**Recommendation 1.** Determine the allowability of \$70,796 in total unsupported questioned costs on page 14 of the audit report and recover any amount that is unallowable.

**Recommendation 2.** Verify that Institut Panos corrects the two material weaknesses in internal control detailed on page 24 of the audit report.

**Recommendation 3.** Verify that Institut Panos corrects the two instances of material noncompliance detailed on page 32 of the audit report.

We ask that you provide your written notification of actions planned or taken to reach a management decision.

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.<sup>2</sup>

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<sup>2</sup> 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](mailto:oignotice_ndaa5274@usaid.gov).