



MEMORANDUM

DATE: October 18, 2021

TO: USAID/Haiti Mission Director, Christopher Cushing

FROM: USAID OIG Latin America and Caribbean (LAC) Regional Office, Senior Auditor, John Vernon /s/

SUBJECT: Financial Audit of the Epidemic Control Among Priority Populations Program Managed by Fondation Serovie in Haiti, Cooperative Agreement 72052120CA00004, February 3 to September 30, 2020 (9-521-22-001-R)

This memorandum transmits the final audit report on the Epidemic Control Among Priority Populations Program. Fondation Serovie contracted with the independent certified public accounting firm Firme Turnier 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 because such program is not offered in Haiti. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on Fondation Serovie's fund accountability statement; 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 fund accountability statement for the period audited, was presented fairly, in all material respects; (2) evaluate Fondation Serovie's internal controls; (3) determine whether Fondation Serovie complied with award terms and applicable laws and regulations; and (4) determine if cost-sharing contributions were made and accounted for by Fondation Serovie 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

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.

laws, regulations, the agreement's provisions; and reviewed project expenditures. The audit covered \$2,109,880 of USAID expenditures for the audited period.

The audit firm 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 identified two internal control deficiencies related to (1) lack of a procurement plan and (2) lack of petty cash physical count or cash report. The audit firm identified two material instances of noncompliance with applicable laws, regulations, and agreement terms related to (1) cost sharing unsupported questioned costs of \$156,301—also considered a cost sharing shortfall and (2) lack of petty cash physical count or cash report. Although we are not making a recommendation for internal control deficiencies noted in the report, we suggest that USAID/Haiti determine if the recipient addressed the issues noted. The audit firm issued a management letter which included two internal control deficiencies.

The audit firm stated that based on their review, except for unsupported questioned costs of \$156,301, nothing came to their attention that caused them to believe that Fondation Serovie 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.

During our desk review, we noted several minor issues which the audit firm should consider when preparing future audit reports. We presented these issues in a memo to the controller, dated October 18, 2021.

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

Recommendation 1. Determine the allowability of \$156,301 in unsupported questioned costs on pages 25 and 26 of the audit report and recover any amount that is unallowable.

Recommendation 2. Verify that Fondation Serovie corrects the two instances of material noncompliance detailed on page 22 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").