



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

MEMORANDUM

DATE: September 13, 2022

TO: USAID/Haiti Deputy Mission Director, Oghale Oddo

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

SUBJECT: Closeout Financial Audit of the Aksyon Kominotè nan Sante pou Ogmante Nitrisyon Project in Haiti, Managed by Fondasyon Kole Zepòl, Cooperative Agreement AID-521-A-16-00002, for the Fiscal Year Ended December 31, 2021 (9-521-22-030-R)

This memorandum transmits the final audit report on the Aksyon Kominotè nan Sante pou Ogmante Nitrisyon Project. Fondasyon Kole Zepòl (FONKOZE) contracted with the independent certified public accounting firm AMF Experts to conduct the audit. The audit firm stated that it performed its audit in accordance with generally accepted government auditing standards and USAID Financial Audit Guide for Foreign Organizations. However, it did not have a continuing education program that fully complied with GAGAS requirements or 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 FONKOZE'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 FONKOZE's internal controls; (3) determine whether FONKOZE complied with award terms and applicable laws and regulations; and (4) determine if FONKOZE has taken adequate corrective action on prior audit recommendations. 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

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.

reviewed project expenditures. The audit covered \$3,430,632 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.

The audit firm identified two internal control significant deficiencies related to (1) non-interest bearing accounts used for project funds and (2) lack of cancellation stamps in supporting documentation. The audit firm did not identify instances of material noncompliance with applicable laws, regulations, and agreement terms. 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 issued a management letter which included a minor internal control deficiency and an immaterial instance of noncompliance.

The audit firm determined that the recipient has taken adequate corrective actions on prior audit report recommendations.

Additionally, in note 3 to the schedule of expenditures of USAID awards, the auditors reported an outstanding fund balance of \$86,039 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.

Based on the results of the desk review, OIG is not making any recommendation to USAID/Haiti.

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").