



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

MEMORANDUM

DATE: January 27, 2023

TO: USAID/Haiti Mission Director, Jennifer Link

FROM: Latin America and Caribbean (LAC) Regional Office, through Global and Strategic Audits Division (GSAD) Assistant Director, Pamela Hamilton /s/

SUBJECT: Closeout Financial Audit of the Counter-Trafficking in Persons Project in Haiti, Managed by Lumos Foundation, Cooperative Agreement 72052119CA00003, January 1, 2021, to June 30, 2022 (9-521-23-009-R)

This memorandum transmits the final audit report on Counter-Trafficking in Persons Project in Haiti. Lumos Foundation 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. 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 Lumos Foundation'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 Lumos Foundation's internal controls; (3) determine whether Lumos Foundation complied with award terms and applicable laws and regulations; (4) determine if cost-sharing contributions were made and accounted for by Lumos Foundation in accordance with the terms of the agreement; and (5) determine if Lumos Foundation 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 reviewed project

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.

expenditures. The audit covered \$2,077,048 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 did not identify any material weaknesses in internal control. However, the audit firm identified two significant deficiencies in internal control. 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 did not identify instances of material noncompliance with applicable laws, regulations, and agreement terms. The audit firm issued a management letter which included a minor internal control deficiency.

The audit firm stated that based on their review, nothing came to their attention that caused them to believe that Lumos Foundation 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. Additionally, the audit firm identified a shortfall totaling \$77,256 in the cost sharing schedule. However, according to the audit report (page 11), amendment six to the cooperative agreement decreased the cost share to \$586,460, so the shortfall should be \$40,711. We are not making a formal recommendation on this issue, but we ask that the Agreement Officer to review this issue 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").