



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

MEMORANDUM

DATE: September 21, 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: Financial Audit of the BRIDGE Project in Haiti Managed by Institut Pour la Santé, la Population et le Développement in Haiti, Cooperative Agreement 72052120CA00003, October 1, 2020, to September 30, 2021 (9-521-22-032-R)

This memorandum transmits the final audit report on the BRIDGE Project in Haiti. Institut pour la Santé, la Population et le Développement (ISPD) contracted with the independent certified public accounting 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 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 ISPD'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 ISPD's internal controls; (3) determine whether ISPD complied with award terms and applicable laws and regulations; (4) determine if cost-sharing contributions were made and accounted for by ISPD in accordance with the terms of the agreement; and (5) determine if ISPD 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

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.

agreement's provisions; and reviewed project expenditures. The audit covered \$3,600,821 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 except for \$18,418 in unsupported questioned costs and an unreconciled fund balance of \$14,881. However, the schedule of expenditures of USAID awards included questioned costs totaling \$18,983 (\$11,260 unsupported and an unreconciled fund balance of \$7,723). The questioned costs identified in the report on the schedule of expenditures of USAID awards were related to: (1) unreconciled balance of \$14,881; (2) salaries and fringe benefits not adequately supported totaling \$11,260; (3) lack of support for advances to employees totaling \$861; and (4) sub-recipient advances totaling \$6,297 not adequately performed. 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/Haiti determine the allowability of the \$18,418 in questioned costs and recover any amount determined to be unallowable. We also suggest that USAID determine whether the unreconciled fund balance of \$14,881 represents additional questioned costs to recover.

The audit firm identified five material weaknesses in internal control and three significant deficiencies. The material weaknesses were related to the questioned costs detailed above and inter-funds transactions not properly recorded in the corresponding funds. The audit firm identified five instances of noncompliance related to the questioned costs detailed above and suspension and debarment checks not performed by ISPD for suppliers, contractors, and employees. 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 ISPD 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 stated that the recipient has not taken adequate corrective action to address all of the prior audit report recommendations.

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

Recommendation 1. Verify that ISPD corrects the five material weaknesses in internal control detailed on page 31 of the audit report.

Recommendation 2. Verify that ISPD corrects the five instances of material noncompliance detailed on page 42 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”).